

The Bankers magazine.

[Boston, Mass., etc., Warren, Gorham & Lamont, Inc., etc.]

<http://hdl.handle.net/2027/chi.74887239>

HathiTrust



www.hathitrust.org

Public Domain, Google-digitized

http://www.hathitrust.org/access_use#pd-google

We have determined this work to be in the public domain, meaning that it is not subject to copyright. Users are free to copy, use, and redistribute the work in part or in whole. It is possible that current copyright holders, heirs or the estate of the authors of individual portions of the work, such as illustrations or photographs, assert copyrights over these portions. Depending on the nature of subsequent use that is made, additional rights may need to be obtained independently of anything we can address. The digital images and OCR of this work were produced by Google, Inc. (indicated by a watermark on each page in the PageTurner). Google requests that the images and OCR not be re-hosted, redistributed or used commercially. The images are provided for educational, scholarly, non-commercial purposes.

The University of Chicago
Libraries









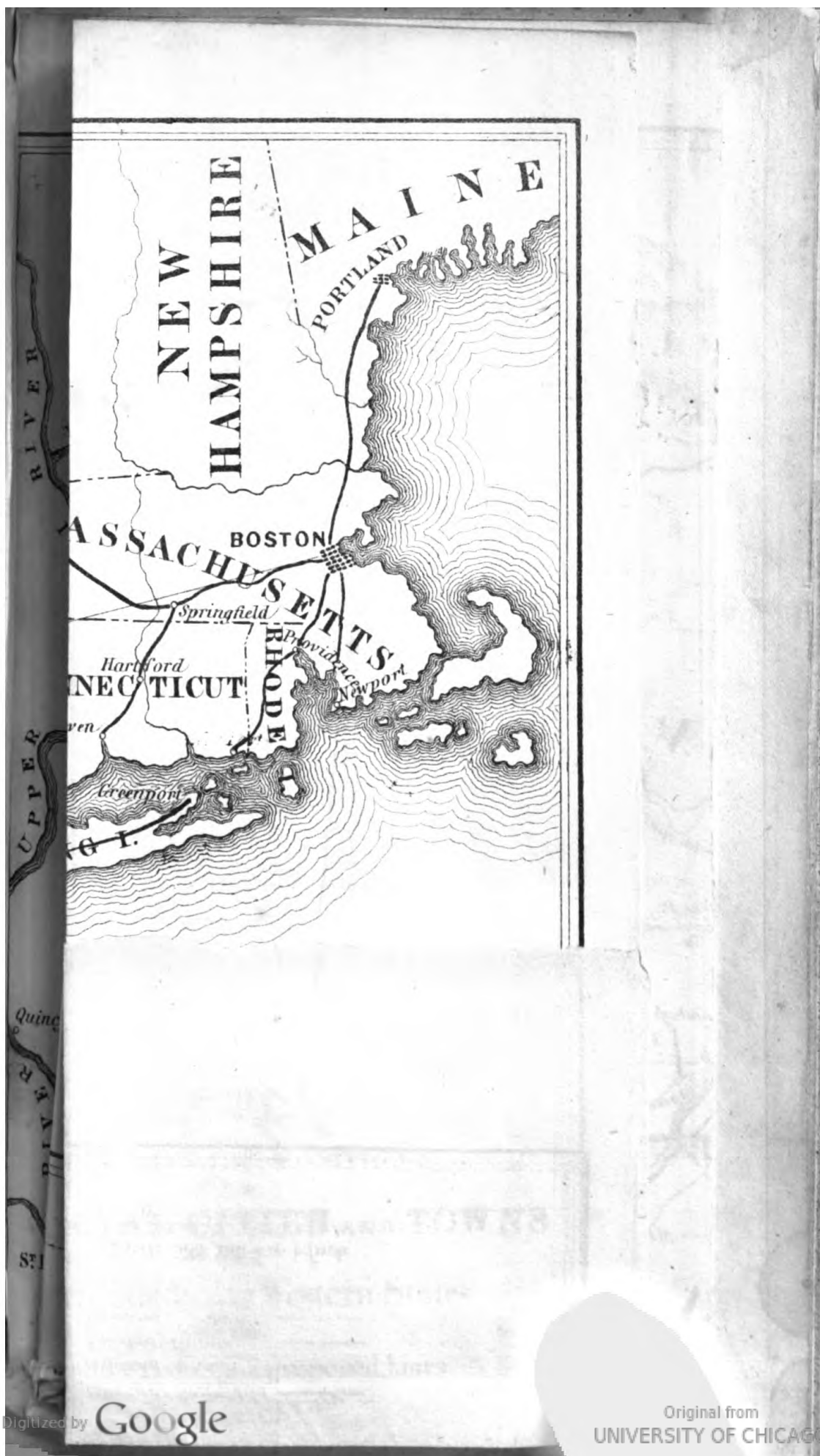
ASS

Hart
NEC

ren

Green

18-1



THE

BANKERS' MAGAZINE,

AND

State Financial Register.

VOLUME II.

HG 1501
.B3

THE
BANKERS' MAGAZINE,

AND

Per-
State Financial Register.

EDITED BY J. SMITH HOMANS,

Librarian of the Library Company of Baltimore.

"No expectation of forbearance or indulgence should be encouraged. Favor and benevolence are not the attributes of good banking. Strict justice and the rigid performance of contracts are its proper foundation."

"The Revenue of the State is THE STATE: in effect, all depends upon it, whether for support or reformation."

VOLUME SECOND,

FROM JULY, 1847, TO JUNE, 1848, INCLUSIVE.

BALTIMORE, MD.

PRINTED FOR THE EDITOR BY J. W. WOODS,

No. 184 BALTIMORE STREET.

Y7120 740
70 740
Y7120 740

41-1921

GENERAL INDEX

TO THE BANKERS' MAGAZINE—VOLUME SECOND.

From July, 1847, to June, 1848, inclusive.

	PAGE.
Atlantic and Pacific Oceans—Ship canal between,.....	224
Bankruptcy of John Bull, Extraordinary Disclosures,.....	433
Bank Statistics—Maine.....	51, 426
New Hampshire.....	336
Vermont.....	764
Massachusetts.....	267, 426, 428, 701
Rhode Island.....	761
Connecticut.....	35, 42
New York.....	44, 48, 125, 184, 271, 390, 447, 492, 702
New Jersey.....	424, 545
Pennsylvania.....	620, 624, 625, 674, 700
Maryland.....	501, 508, 519, 700
Virginia.....	330, 507
North Carolina.....	134, 762
South Carolina.....	178, 763
Georgia.....	265, 332
Ohio.....	128, 130, 261, 508
Kentucky.....	505
Alabama.....	500
New Orleans.....	183, 469, 502
Missouri.....	547
Tennessee.....	185, 334, 548
Indiana.....	503
Michigan.....	550
Bank Items—New banks, &c.,.....	71, 134, 264, 323, 393, 452, 509
Bank of the United States, Official correspondence,.....	350
Bank of England, its history, times and traditions,.....	366, 435, 449
Account of,.....	253, 435, 449
of St. Petersburg, operations of,.....	690
of France, operations of,.....	697, 698
Dividends for each year for 150 years,.....	381
Prices of Stock for 114 years,.....	382
Bank Circulation, Remarks upon.....	468
Banks of Great Britain, Circulation of,.....	472
Banking System of Connecticut, Legislative Report upon.....	35
of New York, Legislative Report upon.....	44, 272, 468, 492, 513, 740
of South Carolina, Report upon.....	178
of New Hampshire, ".....	335
of New York, (from the Courier and Enquirer).....	390
of Pennsylvania and Rhode Island, remarks on.....	674, 686

50173

	PAGE.
Biographical Sketches—Thomas Coutts	525
Nathan Mayer Rothschild.....	473
Stephen Girard	17
David Ricardo, M. P.....	626
Banks of London—Review of the	112
Bank Robberies	396, 397, 446, 617, 638, 639
Bank of the U. S.—Annual Report	625
Canal Bank of New Orleans, Run upon	469
Canal across the Isthmus of Suez	229
Capital, (nature of) and Functions of Money	9, 91
Clearing House of London, account of	116
Cotton Trade of Great Britain—Review of	109
Cotton Crop of the U. S., for each year, 1827 to 1847	258
Coins and Coinage of England, History of	22, 81
Colonies of Great Britain—Military, Naval and Civil Expenditure, and Trade of	244
Cotton—Annual Report upon, for 1846 and 1847	232, 258
Currency of France	98
of Great Britain.....	103, 443, 472, 551, 581
of Hamburg.....	97
of Russia.....	99, 273, 430, 690
of China.....	601
and Banking. By N. Biddle.....	337
of Great Britain, Chronological History of.....	551
Currency of Scotland	101
Theory of the.....	221
and Credit, Principles of.....	582
Deaths of Bank Officers	328, 456, 512, 768
Extraordinary Delusions—The Tulip Mania	194
Exchange between London and New York, Rates for 26 years	532
English Money Market, Trade, Tariff, &c	534, 581
Foreign Grain and Money Market	263
Female Sovereigns of Europe	672
France, Currency of	98, 693
Mines and Steam Power of.....	238
Girard, (Stephen) Biographical Sketch of	17
Girard College of Philadelphia, account of	19
Great Britain, Financial Crisis in, by Lord Ashburton	13
Debate on the Cotton Trade of.....	109
Currency of.....	95, 103, 443, 472, 581
and Spain,	169
Finances, Colonies and Civil Expenditures of.....	240
Money Market of.....	443, 470, 534, 636
Revenue and Expenditures, of 1845, '46 and '47.....	520
Customs Duties.....	520, 666
Chronological Sketch of the Currency of.....	537, 551
History of the Coins and Coinage of, from Queen Elizabeth, 1558, to Victoria, 1840.....	22, 81
Review of the Cotton Trade of.....	109
National Debt.....	177
Grain and Money Market for each month of 1847.....	263
Rates of Exchange for each month since 1822.....	532
Trade, Tonnage, Exports, &c.....	667

GENERAL INDEX.

vii.

	PAGE.
Hamburg, Currency of,.....	97
Instinct of Nations, (The).....	250
Joint Stock Banks of London, Review of.....	113
Legal Decisions respecting Banks, Brokers, Notaries, Cashiers' Bonds, Bills of Exchange, Promissory Notes, Bank Notes, Stolen Notes, &c. in	
Massachusetts.....	160, 167, 365, 614
New York.....	423, 616, 660
Pennsylvania.....	361, 417, 420, 612
Maryland.....	363
Virginia.....	606, 611
South Carolina.....	62, 121, 654, 664
Ohio.....	606
Tennessee.....	604
Alabama.....	652
Louisiana.....	659, 665
Supreme Court U. S.....	145, 209, 280, 289, 309, 357
Legal Miscellany—Cashiers' Bonds, Union Bank <i>vs.</i> Sollee,.....	52, 121, 654
Bank of the U. S. <i>vs.</i> the United States,.....	259
Bank of the U. S. <i>vs.</i> Bank of the State of Georgia,.....	280
Bank of Alexandria <i>vs.</i> Swann,.....	145
Bank of Washington <i>vs.</i> Triplett & Neale,	209
Christian religion.....	357
Constitutional law.....	357, 359
Commercial law.....	358
Corporations.....	360
Jurisdiction	360
Partnership.....	358
Stolen notes.....	363, 613, 607
Gambling losses.....	365
Bank of the U. S. <i>vs.</i> U. S.....	350
Bank notes,.....	280, 417
Annuities,.....	420
Insolvent laws,.....	421
Damages on Protested Bills.....	198, 309
Agency, Liabilities of banks as agents,.....	209
Bills of Exchange,	145, 160, 357, 417, 423, 604
Notice of Protest, Time, Demand, &c.....	145, 160, 167, 609
Case of Prime, Ward & King	394, 445
Life Insurance Cases.....	677, 721
Payment.....	280
Letter to a Student. By William Wirt,.....	343
London Post Office, History of, with Statistics.....	537
London, Review of the Private and Joint-Stock Banks of,.....	112, 593
Clearing House, Description of,.....	116, 600
Insurance Companies, Joint Stock Banks, Dividends, &c.,.....	325
Mint, account of,.....	585
Corn Exchange, account of,.....	590
Life Insurance, Principles and Practice of.....	79, 677, 721
Money Market—Notes on the,.....	200, 201, 327, 399, 453, 511, 576, 640
of Great Britain for 1847, Notes on,.....	443, 470, 534, 704
Mexico—Description of the City of,.....	249, 669
Mississippi Valley—Trade of the,.....	185, 230, 247

	PAGE.
Metallic Currency —On the Operation of.....	91
National Debts , Mr. Jefferson's Views of,.....	132
National Finances —Revenue, Treasury Notes, &c.,.....	255
Treasury Report, 1847,.....	401, 457
New York —Bank Capital, Population and No. of banks in each county and town.....	125, 126
Abstract of the Banking law of,.....	272, 390, 468, 740
Annual Report of the Comptroller.....	479, 492
Banking System of, Report upon.....	513, 576
On the Want of Money —(by Hazlitt).....	641
Rail Road Communications —Proposed routes from St. Louis to Baltimore.....	205
Rail Roads in England —Dividends, Cost, Traffic, &c.,.....	324
Repudiation in England ,.....	139
Rights of Stockholders ,.....	265
Russia , Currency of,.....	99
Finances and Mines of,.....	273, 430, 446, 690
Russia , Resources and Debt of,.....	544
Savings' Banks , On the Advantages of,.....	76
Of Connecticut, Deposits, Dividends and Expenses,.....	42
Scotland , Banks and Currency of.....	101
South Sea Bubble —Account of, by Doubleday.....	140
Spain , Debate upon the Protested Bonds of.....	137, 169
State Finances —Tennessee.....	340
Alabama.....	464
Massachusetts.....	490, 572
New York.....	479, 577
New Jersey.....	463
Michigan.....	467
Ohio.....	487
Pennsylvania.....	465
Georgia.....	461
Mississippi.....	568
Stocks , Fluctuations in during 1847.....	533, 637
Suez —Canal across the Isthmus of.....	229
Thames Tunnel , Historical Sketch of.....	542
Tobacco , Annual Report upon, September, 1847.....	236
United States —Finances, Revenue, Debts of.....	74, 255
Revenue, Treasury Notes, Deposits, &c.....	255, 401
Usurer , Life of (from Hone's Table Book).....	521
Washington (George) His Character and Contemporaries.....	250
Western Rivers —Distances on the Mississippi, Missouri and Illinois.....	192
West —Review of the Trade of, 1847.....	247, 185, 230
Young Men —A Chapter on.....	347

ILLUSTRATIONS.

1. A Rail Road Map illustrating the relative positions of the Commercial Cities and Towns of the Eastern, Middle and Western States, with the principal existing and proposed lines of Rail Road and Canal communication.
2. Bradshaw's celebrated Rail Road and Telegraph Map of England, showing all the existing Rail Roads and Telegraph lines in operation.
3. Engraved view of the London Mint.
4. Engraved view of the Bank of England.

THE
BANKERS' MAGAZINE,
AND
State Financial Register.

VOL. II.

JULY, 1847.

NO. I.

NATURE OF CAPITAL AND FUNCTIONS OF MONEY.

From the London Economist.

That we may be able the more clearly to discover whether we possess any *safe* means of further economising the capital of the country, or rendering it more effective, let us shortly examine the various steps by which wealth advances, and the laws by which commodities constituting that wealth are distributed.

Capital consists only of those commodities which each man saves from his annual production: until such accumulation takes place there is no capital. The first step, therefore, in the formation of capital is, that a man does not consume all he produces. The next step which experience has taught the world is, that division of labor, more than any thing else, aids and facilitates the power of accumulation. That a man occupying his whole time at any one employment will produce more, and that more perfectly, than if he were producing a variety of articles. But the adoption of this practice necessarily led to the necessity of an exchange of commodities between the different producers. Each member of a community finds that he can procure any particular article at less cost of labor, by exchanging the article that he himself makes with what he requires, than by making it himself. Hence, each man labors at one class of production, and exchanges with others the surplus of his produce for so much of the surplus articles of each of his neighbors as he requires for his own use. A division of labor, therefore, immediately led to the system of barter.

The difficulty and trouble of always ascertaining the *relative value* of various commodities, which of course was always changing in proportion to their supply and demand, led to great loss of time and inconvenience. A cwt. of sugar might be worth a quarter of wheat at one time, and by sugar becoming scarcer, or by wheat becoming more abundant, it might at another time be worth a quarter and a half. Just in proportion as articles were subject to sudden and great increase of supply or of demand, it is obvious would their exchangeable value with other articles fluctuate. It became, therefore, evident, that if any one commodity could be found that neither fluctuated in its supply or demand, and, therefore, retained one uniform and unchanging value, it would be an enormous economy of time and labor, to adopt that commodity as a *standard* in which the value of every other article should be

expressed. No such article, however, did in reality exist; but the closest approximation to it was found in the precious metals—gold and silver—which have been respectively adopted as *standards* by which the value of every other article is expressed or measured. The intrinsic value of gold and silver, like all other commodities, is regulated solely by the labor expended in procuring it. After the *standard of value* was agreed upon, no more difficulty could arise as to the relative value of other commodities, even though the system of barter had been adhered to. If a man had two quarters of wheat to exchange for sugar, he knew how much gold his wheat was worth, and he would receive as much sugar as was worth the same quantity of gold. But it was soon found that the exchange of commodities would be further greatly facilitated by the introduction of a general medium of exchange, as well as the adoption of a standard of value. The same commodity which had been adopted as a standard of value offered on many accounts the best medium of exchange; the qualities of which must be, that it always conforms in value with the standard, that presents in itself the greatest value in the smallest bulk, and is, therefore, more easy of transport, and that it is less than any other article subject to decay in the use. But the whole object of the adoption both of a standard of value and of a medium of exchange, is to facilitate the exchange of commodities: they are simply instruments to that end and no other. But it is plain that the quantity of the *circulating medium* necessary for a country will not depend upon the quantity of commodities which it possesses at any time, but by the rapidity with which they are exchanged. A *circulating medium*, therefore, never can alter or control the intrinsic value of commodities, but being an instrument only for their exchange, must be controlled in its quantity by the commodities, the exchange of which it represents.

When gold had thus been adopted, first, as a standard of value, and next as a circulating medium, another step soon suggested itself, by which a still further facility could be obtained in conducting the exchange of commodities. A great deal of time was consumed in weighing, and assaying the gold presented in payment, and in calculating any difference which its quality bore to the standard quality. In order to get rid of this difficulty, the system of money was invented, by which the metals were coined in pieces of a certain weight, and of certain fineness, bearing the stamp of the mint, as a guarantee for the weight and fineness; so that, in all ordinary transactions, the simple operation of counting relieved the public of all the trouble of weighing and assaying. We have thus seen that the steps in the creation of capital, and the establishment of a currency, are these:—

First.—All capital is the saving or accumulation of labor.

Second.—To facilitate this accumulation, a subdivision of labor, by which each man adheres to one employment, was adopted.

Third.—That this led to the necessity of barter.

Fourth.—That, in order to facilitate barter, one commodity was fixed upon as a standard, in which the value of all others should be expressed.

Fifth.—That, further to facilitate the exchange of commodities, the standard of value was adopted as the medium of exchange.

Sixth.—As a further facility, the commodity used as a medium of exchange was coined into pieces, of a given uniform weight and fineness guaranteed by the stamp of the mint, called money.

Now, here we would claim the special attention of the reader to a fact which has been much overlooked, even by those to whom all the above propositions are perfectly plain and familiar. In a state of barter, commodities will be supplied to a community just in proportion as they are required for ordinary uses; gold and silver will be imported in exchange for the produce

of the country just in proportion as they are required for the ordinary uses of plate, ornaments, &c. But when a country is so far advanced that it determines to adopt gold as a standard of value, and as a circulating medium, it must be prepared to give up and devote to that purpose a certain portion of its capital or accumulations. The money circulating in a country is a certain portion of the capital of the country, absolutely withdrawn from productive purposes, in order to facilitate or increase the productiveness of the remainder. A certain amount of wealth is, therefore, as necessary, in order to adopt gold as a circulating medium, as it is to make a machine in order to facilitate any other production. The process is this: Suppose in a country a system of barter existed. The commodities produced over and above the consumption of the country would be sent abroad and exchanged for foreign products, to the extent and in the proportion as each commodity was used in the exporting country. Among the articles so imported would be gold and silver; but only to the extent to which the community required them for general use, for plate, ornaments, &c. In such a state, let a country determine upon adopting gold money as a circulating medium. It is quite clear, if the country does not produce gold, a sufficient quantity must be imported for that purpose, and in order to do this a correspondingly larger quantity of the commodities produced at home must be exported, in order to obtain the requisite quantity of gold, which is to be used as an instrument for the exchange of commodities in general. The commodities, therefore, which are thus exported for such gold are so much absolutely abstracted from the general capital of the country, in order to facilitate the exchanges of the remainder, and the expense of supporting such a currency is borne by the community, just in proportion as they use it, in the following way: The whole of the money in use is scattered over the community, but no one receives any interest for what he holds. If he borrows, he pays interest, but for any portion which he holds in his possession he receives none. If it is his own money, received in exchange for his own labor or produce, as long as he keeps it in his possession he receives no interest. Thus the money actually in circulation at any time is totally unproductive; and it is an expense which the community go to, in order to render the remainder of their capital more productive, by facilitating exchanges. On this account, the smallest quantity of money consistent with the convenience of business will, as a rule, be kept in circulation. Adam Smith describes money as bearing a resemblance to machines or instruments for facilitating production, thus:—

First, as those machines and instruments of trade, &c., require a certain expense, first to erect them, and afterwards to support them, both which expenses, though they make a part of the gross, are deductions from the net revenue of the society; so the stock of money which circulates in any country must require a certain expense, first to collect it, and afterwards to support it; both which expenses, though they make a part of the gross, are, in the same manner, deductions from the net revenue of the society. A certain quantity of very valuable materials, gold and silver, and of very curious labor, instead of augmenting the stock reserved for immediate consumption, the subsistence, conveniences and amusements of individuals, is employed in supporting that great but expansive instrument of commerce, by means of which every individual in the society has his subsistence, conveniences, and amusements, regularly distributed to him in their proper proportions.

Secondly, as the machines and instruments of trade, &c., which compose the fixed capital either of an individual or of a society, make no part either of the gross or of the net revenue of either, so money, by means of which

the whole revenue of the society is regularly distributed among all its different members, makes itself no part of that revenue. The great wheel of circulation is altogether different from the goods which are circulated by means of it. The revenue of the society consists altogether in those goods, and not in the wheel which circulates them. In computing either the gross or the net revenue of any society, we must always, from their whole annual circulation of money and goods, deduct the whole value of the money, of which not a single farthing can ever make any part of either.

Money, therefore, the great wheel of circulation, the great instrument of commerce, like all other instruments of trade, though it makes a part, and a very valuable part, of the capital, makes no part of the revenue of the society to which it belongs; and though the metal pieces of which it is composed; in the course of their annual circulation, distribute to every man the revenue which properly belongs to him, they make themselves no part of that revenue.

Thirdly, and lastly, the machines and instruments of trade, &c., which compose the fixed capital, bear this further resemblance to that part of the circulating capital which consists in money; that as every saving in the expense of erecting and supporting those machines, which does not diminish the productive powers of labor, is an improvement of the net revenue of the society; so every saving in the expense of collecting and supporting that part of the circulating capital which consists in money, is an improvement of exactly the same kind.

We thus see that in maintaining a gold currency, the country absolutely loses not only the whole interest of so much capital, but also a sum equal to the wear and tear of the coin. Any means, therefore, by which the currency can be economised, by which the same facilities can be with equal *certainty* and *safety* performed without the use of coin, offers a means of absolutely adding to the available and productive capital of the country. Without the adoption of such economical facilities, the wealth of a country would be enormously retarded. Suppose that for every transaction in business, coin were actually used as the medium of payment, the amount of capital or commodities that it would be necessary to part with, in order to import a sufficient quantity of that metal, (even were it possible to get it,) would be enormous; and by such an addition to the coin, the country would be correspondingly impoverished, or, in other words, deprived of the ordinary quantity of the other commodities of general consumption, which would have been imported had the gold not been required. Bills of exchange, when used to pass goods from hand to hand, and the use of cheques upon bankers, by which the command over money is transferred from one to another, are the chief and most extensive means used by merchants themselves to economise the use of money. But the most important and most perfect means for effecting such economy, has been the substitution of bank notes, payable on demand.

But it is perfectly plain that no substitute for coin can be perfect or safe, that does not in every respect perform exactly the same operations, that does not follow the same laws in the fluctuations of its quantity, and that does not in every other respect conform to the coin itself. Admitting this principle in the most unqualified way, in order to enable us to test the qualities which any substitute should possess, let us shortly examine what are really the offices performed, and the character of the fluctuations which take place, under a purely metallic currency.

The remainder of this article will appear in our next number, including remarks upon "The Operation of a purely Metallic Currency," "Currency of France," and "Currency of Russia," &c.

THE FINANCIAL CRISIS IN GREAT BRITAIN.

BY LORD ASHBURTON.

The distinguished position held by Lord Ashburton during the last half century in the commercial world, renders a pamphlet from his pen upon the subject of the present monetary difficulties one of more than ordinary interest. Few men possess a larger share of intuitive sagacity than Lord Ashburton; and his opinions on commercial questions, founded upon long and varied experience, are entitled to great respect. The *brochure* before us is entirely free from dogmatical assumptions. His lordship, when reasoning dispassionately upon the working of the bank charter act of 1844, which he persists in contending was based upon erroneous principles, will receive the attention which his high authority on such questions must universally command. His lordship says:

My object in appearing before the public is to endeavor to maintain, with as few words as the case will permit, the opinion I gave when the charter act was before the house of lords, that the expectations entertained of this infallible panacea were unfounded—that it would only work in fair weather, when restrictions of all sorts are inoperative and immaterial—that it could not fail to break down under the first difficulty—and that it is in fact a serious aggravation, if not indeed the actual cause of the distress we now experience.

The nature and extent of these embarrassments are too notorious for it to be necessary to dwell upon them at any length. A very short time ago the interest of money, was at 2½ and 3 per cent. Every body found it difficult to employ their capital; now nobody can obtain it for the best security under 8, 10, or even 12 per cent. The stagnation of the most legitimate trade is complete; the manufacturer stops his works; the minister is obliged to double the interest of his exchequer-bills, and is still at a loss to give even a decent appearance to public credit; while Mr. Brown, a merchant of the first credit and character, representing South Lancashire, tells the house of commons “that the alarm and want of confidence were such that orders for human food to the United States and other countries were in many cases countermanded, prudent houses not choosing to risk their credit by being drawn upon, until they should see what steps government might take to restore the healthy action of trade.” On the other hand, orders for the manufactures of the country cannot be executed, by which we were to be enabled to pay for this food, because the entire stagnation of the circulation prevented the ordinary operations of credit by which alone such transactions can be conducted. There is no class in a country, where the machinery of its economy is so complicated, who do not suffer under this strange state of things, from the richest capitalist to the poor mechanic who lives by his daily labor; but my object is, not to describe its fatal consequences if suffered to continue, which are sufficiently obvious, but to call public attention to the causes which have brought it about, that we may endeavor to avoid the repetition of such a calamity.

His lordship then proceeds at great length to analyse the causes which led to the panic of 1825, contrasting the details of that event with the difficulties of the present period, which he describes in the following terms:

Let us shortly examine the unfortunate symptoms which we now witness when, with a sound state of trade and £10,000,000 of specie in the bank, our monetary distress is greater than when in 1825 the coffers of the bank were empty, and a large portion of merchants ruined by mad speculation. The treasure of the bank had stood for a long time at about £15,000,000 in round numbers; the amount of this treasure was considered a burthen to them,

imposing a useless waste of interest. It was a subject of complaint, and for a long time the directors would have been much obliged to anybody who would have taken four or five millions off their hands. The want of food then occurred, and, combined with the increased price of cotton, overbalanced the amount of our exports; and required a part payment in bullion. The natural question, then, to be asked was, to what extent this was likely to go. The continental exchanges afforded no ground for alarm; Russia at first took some gold from us, which soon ceased; but the chief demand was for America—a country with which we have always an extensive reciprocal trade. It might fairly be presumed that four or five millions would satisfy this demand, which would reduce the treasure of the bank from fifteen to ten millions. This, which might have been the practical estimate of practical men, turns out to be the truth; and the bank with its ten millions left in its coffers, need have disturbed no interests, or disturbed them slightly. But the directors had no power to exercise any opinion; the rigid parliamentary machine was to think and act for them; the whole country was disordered; and it would be difficult to form any estimate of the immense losses both of the exchequer and of individuals which ensued.

I beg not to be understood as wishing to maintain that the efflux of specie of the adverse state of the foreign exchanges are in no case to be considered by the bank; I hold these symptoms, on the contrary, to be essential elements in guiding its conduct; but that they must be considered with all surrounding and connecting circumstances by men of business and experience, capable of giving to them all a corresponding weight and importance in their deliberation, and not be imposed upon them drily and arithmetically, nay, mechanically, by act of parliament. This is a question between limitation by rule or by discretion, and the limitation by rule suits only a state of things as invariable as the rule itself. It would be foolish and even mischievous to inculcate indifference to or speak lightly of any suspension, even for an hour, of the cash payments of a great bank. It would be, to say the least of it, a great public scandal, to be guarded against by every prudential measure: absolute security against such a catastrophe is hardly attainable in the case of a bank of issue. The act of 1844 certainly does not give it; for the whole treasure left by that act at the disposal of the bank might have been drawn out in five minutes by the private depositors; and it is worthy of remark, that with us, under the former uncontrolled management of twenty-four directors, such a disgrace has never happened, excepting in 1797, when the suspension was forced upon the bank by the large foreign payments of the minister; and these operations were reluctantly consented to by the directors from a belief that the safety of the country from a foreign enemy depended on them.

But why is this extreme care of the purity of the standard of value, of the integrity of the pound sterling, so important? It would be mere pedantry to be looking so carefully after a possible small fractional difference for a short time between gold and paper, if this object were not combined with the more important one of maintaining, as well as circumstances permit, an equable value of money—of money taken in its popular sense, and consisting among us of the combined ingredients of paper and metal—of money as compared with and commanding all commodities. Now this fright of the bank, with ten millions in her coffers, of violating this parliamentary restraint, has driven her into proceedings which have depreciated to a very great extent every description of property, food only, for evident reasons, excepted. It would not be easy to estimate this depreciation, extending over all merchandise, stocks, railroad shares, &c.: it probably would not be overstated at from 10 to 20 per cent.; but what is worse, it has paralysed this

property in the hands of the possessors, rendered it unavailable towards meeting their engagements, and thus produced in many cases pecuniary sacrifices much beyond the mere depreciation of the value of the property itself. It has further occasioned the suspension of the execution of orders from our customers in every quarter, thus distressing manufacturers and impeding those very operations which would have corrected the tendency to an unfavorable balance of trade, and given safety to the circulation of the bank.

It is needless to follow up farther all the fatal consequence to *capital* branching from this mistaken anxiety about *currency*: the latter is, after all, but the shadow of the former—the small change by which the transactions are liquidated, though undoubtedly, in some respects, the regulator of its value: but I have no hesitation in thinking that, if these enormous fluctuations in the value of property, and these occasional disturbances of manufacturing industry, are inseparable from the circulation of bank notes, we pay too dear for this accommodation, great and useful as it is, and that it would be more safe to have no banks of issue, and use only those of deposit, like the great trading city of Hamburg. I am, however, equally convinced that no such sacrifice is necessary; and that but for the artificial restraints of the law, the integrity of the currency or the medium of value could be adequately maintained without disturbing the more essential equable currency of property and capital.

If the Birmingham philosophers are puzzled by the question so often put to them to define what they mean by a pound sterling when their paper is clothed in its irredeemable character, sounder reasoners appear to have equally failed in any precise definition of the word currency. The act of 1844 treats it simply as bank notes to bearer; but they who observe critically and carefully all the varied mazes of our monied transactions must recognise an almost endless variety of objects acting more or less directly, and with more or less celerity, the same part—bills of exchange, at long or short dates—exchequer bills—India and rail road bonds—deposits on demand with the great money-brokers—latterly post office orders for small sums passing from town to town, of which useful description of *quasi* currency the public will probably be surprised to learn that little short of 6,000,000 were circulated last year. But above all, deposits, both with the Bank of England and private bankers, are a most essential part of this currency; though they do not appear in the tangible shape of a piece of paper passing from hand to hand, they are in fact the most formidable means of commanding the treasures of the bank, though they seem to be wholly overlooked by our exclusive guardians of the currency. The theorist sees in circulation nothing but the bank note; but the practical man, engaged in large operations, knows how many millions pass through his hands without his seeing or touching a bank note, and how many varied securities and engagements perform the essential duties of his circulation. It is undoubtedly true, that the offices performed by these several articles are different from those performed by the paper which is the immediate representative of the metallic standard, but they all concur, in degrees and modes differing from each other, which it would be difficult to define, and which appear to escape all precise analysis, in circulating the immense transactions of our colossal commercial body.

It is easy in theory to say that the bank should look to itself, without caring for the exchequer; but the business of the exchequer is the business of us all, and if not cared for is sure, do what you may, to bring all other interests into confusion. It has uncertain wants and uncertain income; no foresight can preserve it from accident. An Irish famine calls upon it one year, a falling off of revenue another; and where is it to look for assistance

but to the bank? for these are cases which new loans without bank assistance cannot meet, and this assistance the bank is bound to keep itself in a condition to give. It is for this that it has great privileges; and if we have made such a bargain with the bank that it cannot afford to perform its proper functions, which I do not believe, those conditions should be relaxed.

It must be admitted that these duties towards the government become more serious and uncertain in extent from the modern practice of yearly throwing over our sources of revenue, and trusting to accident whether our balance is one of deficiency or surplus; the system, which I have always humbly opposed, we shall some day bitterly repent. It imposes upon us this year the scandal of a large loan in time of profound peace. If for every adverse accident we are to borrow, and on every recurring period of prosperity to throw over our means of paying, the end of such a course cannot be doubtful; the precise period of our fate can alone be uncertain. But this is a subject, however important, which is foreign to my present purpose, and I touch upon it solely to exemplify the necessity government is under of having a bank on which it can rely for occasional assistance under the various difficulties in which it may be placed.

There can be no reason to distrust the integrity and honest intentions of the directors of the bank; of this I can speak from personal experience; no body of men stand more clear from jobbing of any kind; they may be misled by false theories, but the public have this security for their conduct, that though undoubtedly bound fairly to attend to the interests of their proprietors, those proprietors are they—the directors themselves being for the most part merchants of eminence—have a far greater interest in the general well-being of the trading world than they can possibly have in any increase of dividend from their small stake in bank stock.

An adverse state of foreign exchanges, from whatever cause arising, and whether temporary or otherwise, is to be corrected by making money scarce, and thereby lowering the value of all merchandise, until by the depreciation a market is forced for it abroad. Do these reasoners comprehend the losses occasioned by this depreciation of all property when this screw is applied to correct every occasional fluctuation of the exchanges? And, moreover, how uselessly these sacrifices are increased in cases like the present, when the difficulty to be guarded against is not real, but the result of a fanciful scale of paper and bullion which imagines dangers while there is a larger portion of treasure in the bank than the average of many years of supposed abundance. If our trade is to be so governed, and liable to these caprices, is it too much to say that the advantages of a paper circulation are over-balanced by its inconveniences and dangers? The character of the late demand upon us for gold must also be considered. It was for food suddenly wanted; if those wants continue, we must have the supply or starve, whatever be the state of our paper circulation; and how can it be supposed that you can suddenly create by cheapness new markets for goods rather of luxury than of necessity, a creation which all practical men know to be a work of time and therefore wholly unfit as a remedy for an immediate emergency? If food from America be further required by another failing harvest, we must pay for it as well as our means and credit will permit; but it would be idle to suppose that we can at once create a corresponding market for our own goods, and that the people abroad will wear two coats and two shirts because we wish to sell them. It would be perfect suicide to determine by law, that if this irresistible demand should come upon us, so as further to lower the treasure of the bank, the trade of the country is to be oppressed by a further turn of the screw, until the notes of the bank are reduced within the arbitrary limits of the act of 1844.

BIOGRAPHICAL SKETCHES.

STEPHEN GIRARD.

From Godey's Lady's Book.

STEPHEN GIRARD was born on the 24th of May, 1750, near Bordeaux, in France. His parents were in a humble sphere of life, and his education was confined to a limited knowledge of reading and writing. He left his native country, at the age of ten or twelve years, as a cabin-boy in a vessel bound for the West Indies. The loss of his eye at that time tended to increase the natural moroseness of his temper, as he was sensitive to the ridicule of his associates. He remained but a short time in the West Indies, and again as cabin-boy sailed for New York. Having gained the confidence of his employer, he became first mate, then captain of a small vessel, and made several profitable voyages to New Orleans. Engaging successfully in small adventures, he soon became part owner of the cargo and vessel which he commanded. It is not known what first induced him to go to Philadelphia, but he became in 1769 an obscure trader in Water street.

About this time he was married, and his only child died in childhood. His married life was unhappy, and he applied to the legislature of Pennsylvania for a divorce.

In partnership with Isaac Hazlehurst, Esq., of Philadelphia, he purchased two vessels to trade with St. Domingo, but the vessels were captured and taken to Jamaica, and the firm was dissolved. From 1772 to 1776 he probably acted as ship-master and merchant, despatching goods to New Orleans or St. Domingo, remaining at home sometimes to settle accounts and adjust profits. The war which followed injured his commercial business, and he opened a small grocery shop in Water street, connected with a bottling establishment for claret and cider. On the approach of the British, 1777, he purchased a small tract of land called Mount Holly, on which was a house where he sold his fluids to great advantage to the American soldiers, as the encampment was in the vicinity.

Upon the evacuation of Philadelphia, he returned to the city and occupied a range of frame stores in Water street, which were filled with pieces of cordage, sails and old blocks, which were destined to fit out ships at some future time.

In 1780, Mr. Girard again entered upon the New Orleans and St. Domingo trade, and increased his gains so much as to enable him to extend his enterprises to a larger scale. He leased for ten years a range of brick and frame stores, one of which he occupied, and rented the others to great advantage, and has been heard to say he dated his subsequent good fortune to this foundation.

His connection with his brother, Captain John Girard, terminated in consequence of misunderstanding, and the partnership was dissolved, and his share of the business amounted to about thirty thousand dollars.

His wife died in 1815, having been twenty-five years a patient in the insane department of the Pennsylvania Hospital, on which occasion he presented to that institution the sum of three thousand dollars, besides liberally rewarding the attendants.

His profits were greatly increased by the circumstance of two of his ships being at St. Domingo at the time of the insurrection on that island, when the planters in their alarm rushed to the docks to deposit their most valuable property in the ships lying there, and returned to secure more, but most

were massacred, and but few claims were ever made on the property, which was found to be very great. This was sent to Philadelphia, and added greatly to his original fortune.

In the year 1791, Mr. Girard commenced building ships—which have been a source of pride to Philadelphia—to engage in trade with Calcutta and China. He showed some national feeling in naming his ships *Montesquieu*, *Helvetius*, *Voltaire* and *Rousseau*.

Mr. Girard's conduct during the dreadful pestilence which in 1793 visited the beautiful city of Philadelphia, is well known, and sufficient to redeem his character from the selfishness and want of feeling generally attributed to it. He entered into the most loathsome abodes, and performed constantly at the hospital the most menial services. It is probable that his early residence in a tropical climate made him less liable to the disease, but this does not in any degree abate the credit he deserves for exposing his life for his fellow-beings.

The establishment of his private bank, which was probably at first intended merely as a temporary circumstance, finally conferred upon the community great advantages, and rendered very important service to the government.

A circumstance which occurred in 1813 enabled him to add materially to his own funds, besides the benefit to the national treasury from the duties due to the government. His ship, the *Montesquieu*, was captured in the Delaware by a British frigate, with an invoice cargo of two hundred thousand dollars, consisting of teas, nankeen and silks, from Canton; but it was determined by the captors, to avoid the risk of a recapture in attempting to carry their prize to a British port, to send a flag of truce to Mr. Girard and offer him a ransom. He immediately sent to the British commander the sum of ninety-three thousand dollars in doubloons, and is supposed to have realized by the transaction half a million of dollars.

His patriotism was shown in 1814 by his judicious and liberal aid to the country at a time when an invading army was marching over the land and the national treasury exhausted.

One of the distinguishing characteristics of Mr. Girard was his public spirit. He subscribed one hundred and ten thousand dollars for the navigation of the Schuylkill, besides numerous loans at various times. At one time, when the county was believed to have been injured by an injudicious course of internal improvements, he made a voluntary loan of one hundred thousand dollars. He erected in Philadelphia numerous blocks of buildings, adding much to its beauty. Among other public-spirited acts, he subscribed two hundred thousand dollars to the Danville and Pottsville rail road, and ten thousand dollars towards the erection of a public exchange.

In person, Mr. Girard was low and square, but muscular, and bearing the characteristic appearance of an old sailor. His skin was dark, and the loss of his eye added to the cold and hard expression of his face. His style of dress was peculiar, and generally very shabby. His equipage was always mean, and his personal habits penurious in the extreme.

He was a total disbeliever in the christian religion, and his sentiments were those of Rousseau and Voltaire, and yet he gave liberally to several christian denominations.

Mr. Girard lived to the advanced age of eighty-two, and his death was hastened from his disregard of all assistance. Being partially blind, he was knocked down by a wagon when crossing the street, which nearly took off his ear, badly bruised his head, and almost totally deprived him of sight. From this time his health declined, and in December, 1831, an attack of bronchitis or influenza ended his existence. He died on the 26th of that month, in a back room at his mansion in Water street.

By his will, he bequeathed to the "Pennsylvania Hospital," thirty thousand dollars; to the "Deaf and Dumb Institution," twenty thousand; to the "public schools of the city and county of Philadelphia," ten thousand; to the "Orphan's Asylum," ten thousand; to the "relief of distressed masters of ships," ten thousand; to the "masonic loan," twenty thousand; for the erection of a public school, six thousand; to all the captains in his employ, having performed a given service, fifteen hundred dollars each; to his apprentices, each five hundred dollars; to the city of New Orleans, two hundred and eight thousand acres of land, with thirty slaves; and the remainder of his lands in Louisiana, to the corporation of Philadelphia; to the commonwealth of Pennsylvania he gave three hundred thousand dollars for internal improvement; the sum of two millions was left for the purpose of the erection of a building and founding a college for orphan children. In addition to these, Mr. Girard made considerable bequests to his relatives; but the bulk of his immense fortune was left to the city of Philadelphia, where his fortune had been made. He gave, in his will, particular directions for expending portions of his wealth in certain public improvements, among others, five hundred thousand dollars for the improvement of the Delaware front of the city and the widening of Water street; and he desired that a square of the city which he had long kept vacant between Chesnut and Market and Eleventh and Twelfth streets, should be intersected by a street and covered with four blocks of buildings, erected on a uniform plan, which was done soon after his decease; and the rents of these buildings now constitute an important part of the revenues of the city. The new street and the splendid row of buildings on Chesnut are now respectively designated by the name of Girard.

"In his will," says Mr. Lanman, "he clearly showed what had been the object of his long and fixed labor in acquisition. While he was forward—with an apparent disregard of self—to expose his life in behalf of others in the midst of pestilence, to aid the internal improvements of the country, and to promote its commercial prosperity by all the means within his power, he yet had more ambitious designs. He wished to hand himself down to immortality by the only mode that was practicable for a man in his position, and he accomplished precisely that which was the grand aim of his life. He wrote his epitaph in those extensive and magnificent blocks and squares which adorn the streets of his adopted city, in the public works and eleemosynary establishments of his adopted state, and erected his own monument and embodied his own principles in a marble-roofed palace for the education of the orphan poor. We who shall hereafter gaze upon that splendid edifice, the most perfect model of architecture in the new world, will perceive the result of the singular character of its founder, and shall be left in doubt whether, after all, his faults were not overbalanced by his ultimate munificence."

GIRARD COLLEGE.

This noble monument of human philanthropy being now on the eve of completion, it will no doubt be interesting to our readers to have an authentic description of it, divested as much as possible of technicalities, and embracing its most important features and dimensions. With this view we have prepared the following article, from data furnished by the architect, T. U. Walter, Esq., together with the accompanying plate, which presents an accurate view from the south-east.

The site appropriated by Mr. Girard for the purposes of the college was formerly known as Peel Hall; it is situated on the Ridge road about a mile

north of the city limits, and occupies a tract of land more than half a mile in length by six hundred and seventy five feet or one-eighth of a mile in width, surrounded by a spacious street sixty feet wide, called College Avenue. The main entrance is at the head of Corinthian Avenue, a street of eighty feet in width running north from Coates' street west of Third street from Schuylkill. The street represented on the plate is College Avenue, running westward from the Ridge road.

The buildings consist of the main college edifice, which will be entirely devoted to educational purposes, and two spacious out buildings on each side, all of which are composed of marble.

The main building is a composition in the Greek Corinthian order of architecture; it stands parallel with the city streets, immediately in front of Corinthian Avenue, and covers an area of one acre of ground, being 181 feet wide and 239½ feet long. The body of the building, which is 111 feet wide by 169 feet long, has *eight* columns on each end and *eleven* on each side (counting the corner columns both ways,) which makes *thirty-four* columns in all. The colonnade stands on a marble platform seven and a half feet high, 159 feet wide, and 217½ feet long, approached on all sides by eleven marble steps.

Each of the bases of the columns measures nine and a quarter feet in diameter, and the shafts six feet at the bottom and five feet at the top; the capitals are nine feet high and ten feet wide on the face of the abacus or upper member: the whole height, including base, shaft and capital, is fifty-five feet. These columns are composed of large blocks of white marble, some of which weigh fifteen tons. Each shaft is beautifully wrought into twenty-four deep flutes, and the carving of the capitals is of the richest and most ornate character. Many suppose that these capitals were imported, but such is not the case; they were all wrought on the college grounds out of American marble, and the whole building is, in fact, a specimen of American skill and American materials.

The entablature, or the entire mass which rests on the columns, is *seventeen* feet high; it consists of an enriched cornice projecting nearly five feet, and other mouldings finely proportioned and beautifully wrought. Each end of the building is embellished with a pediment rising twenty and a half feet above the horizontal cornice, thus making the entire elevation of the apex of the roof above the ground about one hundred feet.

The ceiling of the portico is being constructed of immense cast-iron plates, richly embellished with panels and ornamented mouldings.

The roof is composed of marble, and is one of the most interesting portions of the work. We shall describe it in the words of the architect to the building committee, in his ninth annual report. "It consists of marble tiles *four and a half* feet long, *four* feet wide, and *two and three-fourth* inches thick; every superior tile overlaps the one below it, and the junction of every two adjoining tiles is covered with a strip of marble *four and a half* feet in length, *ten* inches in width, and *six* inches in thickness.

"To support these tiles, brick walls of nine inches in thickness are built *three feet nine* inches apart, across the whole surface of the upper arches, from side to side of the building; the top of each wall is formed with a declivity from the ridge to the eaves, corresponding with the pitch of the pediments.

"The large tiles are laid on these walls, beginning at the eaves and extending to the ridge, each superior tile overlapping the one below it six inches. The sides of these tiles are elevated an inch and a half above the general surface to prevent the water from running into the joints at their junction; and the narrow tiles which cover these joints are hollowed out so as to embrace the projection of each contiguous tile.

"All the joints and overlappings are so formed as to prevent the admission of water either from the force of beating rains or from capillary attraction; at the same time their design is such as to admit of their being laid without coming actually in contact with each other, thus rendering them free to expand and contract with the various changes of temperature without producing leaks: the whole is, therefore, rendered water-tight without depending at all on cement.

"The plan of supporting the tiles on walls affords access at all times to the under side of every tile; and in order to facilitate their inspection, openings are left in the walls opposite each sky-light, by which a portion of light will be admitted into every compartment.

"The gutters are formed of flagstone and bricks laid in hydraulic cement, and securely covered with heavy milled lead. These gutters are so constructed as to prevent any water from running over the eaves: by this plan the cornices will not be liable to the mutilation and premature decay to which they would otherwise have been subjected, and which mars many of the noblest structures of ancient as well as modern times.

"The conductors for carrying the water from the roof consist of heavy cast-iron pipes of *ten* inches in diameter, securely put together and embedded in the walls of the building."

The interior of this building is divided into three stories of twenty-five feet in height, and each story into four rooms of fifty feet square, with a vestibule at each end of twenty-six feet by the width of the building. The *first* and *second* stories are vaulted with groin arches, and the *third* story with domes supported on pendentives springing from the corners of the rooms: this story is lighted by skylights of sixteen feet in diameter.

All the floors and stairways are composed of marble, so that there is no wood employed in the construction of the building except for doors and windows. The stairways ascend from the vestibules in each of the four corners of the building, and present an exceedingly light and graceful appearance; they are embellished with beautiful cast-iron balustrades, starting from polished marble newels.

The doors of entrance are on the north and south fronts opening into the vestibules; they are each sixteen feet wide by thirty-two feet high in the clear: the lower section of the paneling alone is made to open. Each vestibule is vaulted from an entablature supported on eight columns and eight *antæ*, or square pillars attached to the walls, making forty-eight columns and forty-eight *antæ* in all the stories: the shafts of these columns are each composed of a single block of marble. The order in the *first* story is Ionic, in the *second* a modified Corinthian, and in the *third* a similar order rather lighter and more ornate. Each stairway is crowned with a richly paneled pendentive dome ceiling lighted with a skylight of ten feet in diameter.

The celebrated statue of Girard by Gevelot, will be placed on a pedestal in the southern vestibule, in front of the principal door of entrance.

The four out buildings are each fifty-two feet wide, one hundred and twenty-five feet long, and *three* stories high, with a basement of seven feet above the ground. The easternmost building is divided into four separate private residences for the president and professors, and the remaining three are designed for the residence and accommodation of the pupils and their attendants.

The grounds adjacent to the buildings are being laid out in spacious walks and lawns, and the whole plot is enclosed with a stone wall of ten feet in height as directed by Mr. Girard.

The main building will be entirely finished in a few weeks, and the whole establishment will no doubt be ready for occupancy before the close of the present year.

THE COINS OF ENGLAND.

Extracted from a recent London publication, entitled "The Coins of England," containing two hundred and twenty-seven engraved fac similes of coins from the earliest ages to 1846.

FROM ELIZABETH, 1558, TO CHARLES, 1602.

The complete restoration of the integrity of the currency is justly ascribed to Elizabeth, although she only gave the finishing hand to what had been already commenced by her brother. She not only ascertained the amount of silver in the base money, and caused it to be stamped and pass for its true value, (a course which involved loss to the nation and gain to the government, which received back as 2½d. that which it had issued as 12d., for which, perhaps, we do not owe her much gratitude,) but she likewise produced a coinage scrupulously corresponding in weight and purity to its nominal value—with the exception, of course, of a deduction for that rate of profit or seignorage which had always been considered the fair privilege of the sovereign. It would appear, however, from the discovery of letters, &c., &c., in the state paper office, that we are chiefly indebted for the originating and carrying out of this great measure to a London merchant—the same illustrious Gresham to whom the city owes its Royal Exchange and other useful institutions. It would appear that some difficulties occurred as to refining the base metal of which the existing silver coinage was composed, and Gresham, during his residence in Antwerp, effected arrangements with a great firm in that city for refining the whole for the remuneration of ⅓ oz. per pound of silver, for all the silver refined, and also the whole of the copper contained in it. The following is an extract from one of his letters, introducing one of the Flemish merchants to Sir Thomas Parry, treasurer of the queen's household: "Albeit the enterprise is of great importance, and the sooner it is put in hand the more honor and proffyt it wolle be to the quene's majestie and the realme; for, doubtless, this will rayse the exchange to xxv. viiid. at the least."

Thus it would appear that the great cause of the very effectual reform of the coinage was the growing wants of our rapidly extending commerce, represented and advocated by the acute genius of Gresham. But no mention is of course made of him, on the medal struck in honor of the queen, to commemorate it. Of the final return to good money, however, she should at least have shared the honors with her brother Edward VI, by whom the good work was at last fairly begun, Elizabeth only putting the completing hand to it. But, she saw, no doubt, the eventual popularity that would accrue to her from connection with such a measure, and therefore made herself as conspicuous in it as possible, even going to the Tower and coining pieces of fine money with her own hand, which she graciously distributed to those immediately around her.

The coinage of her first three years consisted of shillings, groats, half-groats, and pennies, which were of the fineness of the last of the preceding reign. But inconvenience being felt for want of small money, she soon after issued a coinage of sixpences, threepences, three halfpences, and three farthings, of the full old English standard of 11 oz. 2 dwts. fine silver, to 18 dwts. alloy.

Of these coins of three halfpence and three farthings, none were issued in previous or subsequent reigns; and yet Shakspeare, with that disregard of anachronism in such matters common to writers of that age, finding them

current in his time, speaks of them as if they were current in the reign of John, where Falconbrige, ridiculing the leanness of his legitimate elder brother, first likens him to a "half-faced groat"—referring to the new made groats—which had a profile instead of a full face; and then, referring to the rose on one side of the three farthing pieces, he says he would not own

"A face so thin
That in mine ear I durst not stick a rose,
Lest men should say look where three farthings goes."

Beaumont and Fletcher, in "The Scornful Lady," also refer to these three farthings, which had a rose like the 6*d.*, 3*d.*, and 3½*d.* of this issue, at the side of the head, the erasure of which made them look something like the penny of her earliest coinage. The passage occurs when speaking of a culprit who should be "whipped, and then cropt, for washing out the roses in three farthings, to make them pence."

In the year 1582, these three farthings and three halfpenny pieces were discontinued, and shillings, half-groats, and pence, were revived, of similar types. Upon the whole of this coinage the date was placed, and seldom omitted on English coins afterwards. The small coins of this reign were the last that bore the place of mintage, as "civitas, London, &c."

But the great event in the coinage of this reign was the introduction of the mill and screw, instead of the hammer and punch principle; by which reformation in their mechanical production, coins of a much more workman-like and regular appearance were produced. Indeed the regularity of this process, combined with the placing of the date on the coins, were the cause of the ultimate discontinuance of mint marks, previously rendered necessary in order that irregularities in weight, execution, &c., should be attributed to the proper mint and mintage. As in speaking of the money of this reign in particular, I have had frequent occasion to mention the mint marks, or privy marks, as they have usually been called in the mint, it may be necessary to say a word of the use and nature of those marks. I may therefore observe, that it has been usual from old time to oblige the masters and workers of the mint, in the indentures made with them, "to mark a privy mark in all the money that they made, as well of gold as of silver, so that another time they might know, if need were, which monies of gold and silver, among other monies, were of their own making and which not." And whereas, after every trial of the *pix* (periodical courts of inquiry into the state of the different mints,) at Westminster, the masters and workers of the mints, having there proved their monies to be lawful and good, were "immediately entitled to receive their quietus under the great seal and to be discharged from all suits or actions concerning those monies;" it was then usual for the said masters or workers to change the privy mark before used, for another, "that so the money from which they were not yet discharged might be distinguished from those for which they had already received their quietus: which new mark they then continued to stamp upon all their monies, until another trial of the *pix* also gave them their quietus concerning those."

The *pix* is a strong case with three locks, whose keys are respectively kept by the warden, master, and comptroller of the mint; and in which are deposited, sealed up in several parcels, certain pieces taken at random out of every journey, as it is called, that is, out of every fifteen pounds weight of gold, and sixty pounds weight of silver, before the same is delivered to the proprietors. And this *pix* is from time to time, by the king's command, opened at Westminster in the presence of the lord chancellor, the lords of the council, the lords commissioners of the treasury, the justices of several benches, and the barons of the exchequer, before whom a trial is made, by

a jury of goldsmiths empanelled and sworn for that purpose, of the collective weights of certain pieces of gold and silver taken at random from those taken from the *pix*. After which, those parcels being severally melted down, assays are made of the bullion of gold and silver so produced, by the melting certain small quantities of the same against equal weights taken from the respective trial pieces of gold and silver that are deposited and kept in the exchequer for that use.

This is called the trial of the *pix*; the report made by the jury upon that trial is called the verdict of the *pix* for the time. But to return to the mill money: Folkes says, "The maker of this milled money is reported to have been one Philip Mastrelle, a Frenchman, who eventually, however, fell into the practice of coining counterfeit money, and was convicted, and executed at Tyburn, on 27th of January, 1569." But Mr. Hawkins does not place any reliance upon this statement, and asserts that the name of the introducer of this process is unknown, and the whole history of its employment involved in obscurity. The principal feature in the new method was the power of ornamenting the edges of the coins; but the whole appearance of the money so produced was more workmanlike. Most of the milled coins in this reign may be distinguished by a star of five points at the end of the legend. Some patterns of half crowns exist of the coinages between 1561 and 1575, but none were issued till 1601 and 1602, which are very handsome coins, and the first large silver that had been coined since the death of Edward VI. There are also shillings, sixpences, half groats, pennies, and half pennies of this coinage. It was in 1601 that silver coin was made of less weight, and, as Folkes tells us, "the same standard of value as it has ever since been was then adopted."

On some of the coins of Elizabeth are found stamped the arms of Zealand; others have H for Holland, and are supposed to have been so stamped for subsidies taken to the low countries by Leicester.

The East India merchants were also allowed to coin what have been called crowns, half crowns, and shillings, for circulation in their foreign dealings, but which were, in fact, struck to accord with the weight of the Spanish piastre; the half, the quarter, and the half quarter of the same. These coins have been called the portcullis money, from a large portcullis occupying the whole of the reverse. They are handsome pieces, but do not come under the head of English coins of the realm.

It will appear extraordinary that, notwithstanding the restoration of the English coinage, base money was still coined for Ireland; as though unfairness to, and oppression of, that unfortunate country, had really formed part of a positive system with the English government.

The gold coins of this reign do not vary much from those of Mary. There was the double rial with the queen on the throne, and the rose reverse, with the arms in the centre. The rial with the queen in the ship, and the reverse still like the old noble.

There were two standards of gold: one called the old standard, 23½ carats fine, to half a carat alloy, one pound weight of which was to be coined into 24 sovereigns of 30s. (equal to 36 of 20s.) Another standard of 22 carats fine, to two carats of alloy (crown gold) of which the pound weight was to be coined into only 33 sovereigns of 20s. Afterwards, about 10s. more was made from the pound of each standard.

The angels, half angels, and quarter angels, were similar to those of Mary and her predecessors, but rather better executed than those of Mary. The only new artistic feature of the gold coinage of this reign being sovereigns, half sovereigns, quarter sovereigns, half quarter sovereigns, of a new type. During this reign there was coined, of silver, including the base silver of Ireland, £4,718,579 2s. 8½d., of gold, £440,552 8s. 9½d.

JAMES I, 1602 TO 1625.

The first silver coins issued by this king, soon after his accession, were crowns, half crowns, shillings, half shillings, pieces of two pennies, pennies, and half pennies.

On the crowns and half crowns is a figure of the king on horseback, in a similar style to those of Edward VI: the titles read—"Jacobus, D. G. Ang. Sco. Fran. et Hib. Rex."

On the reverse are the arms on a garnished shield, but in the usual form (and not oval, like some of Edward and Mary,) having the motto, "exurgat Deus dissipentur inimici."

The arms of Scotland, and also Ireland, were, for the first time, quartered with those of England and France. The shillings and sixpences had the king's bust in profile, crowned, in armor, the legend as on the crowns, and having respectively XII and VI behind the head, to denote the value. The twopenny pieces and pennies were the same, with the exception that they had the motto, "Rosa sine spina," and the numerals II and I; the reverse having the arms and no motto. The half pennies were like those of Elizabeth, with a cross on one side and a portcullis on the other. Shillings and sixpences, 9 oz. fine, were now coined for Ireland. On the second coinage the words Mag. Brit., instead of Ang. Sco., were used, and on the reverses a new and appropriate motto, allusive to the union of the crowns, was used, "Que Deus conjunxit nemo separet." The shillings were the same as the half crowns and crowns, with the exception of having the king's bust only, instead of the figure on horseback. The twopenny pieces had a rose on one side, and a thistle on the other, crowned, with "I. D. G. rosa sine spina" on one side, and "tueatur unita Deus." The pennies had the rose and thistle uncrowned with the same legends; and the half pennies the simple rose and thistle without mottos. These several pieces now continued to be minted without alteration till the end of the reign. There are no dates on the coins of this reign, except on sixpences, a caprice in their favor difficult to explain; but the succession of mint marks is so complete, that every issue is easily distinguished by connoisseurs.

Up to June 20, 1605, the fleur de lis is the mint mark; up to July 10, 1606, another mark; till June 30, 1607, the scallop shell, and so on, through almost every remaining year of the reign, a different mark; such as the bunch of grapes, the tower, the ton, the half moon, &c. Silver was exceedingly scarce during a part of the reign, and the issue of a light coinage was seriously contemplated, but the scheme was happily abandoned. A good deal of silver was refined from the lead mines of Wales, and coins from this silver always bore the Welsh feathers.

On the suggestions of James, many good regulations were made to prevent clipping and other modes of debasing the coinage, and the charges of mintage were reduced in order to tempt merchants and others to bring bullion more readily to be coined.

The first gold coins of James I, were the sovereigns and half sovereigns, having the king in armor holding the orb and sceptre. The reverse having the arms of England and France with Scotland and Ireland quarterly, and the motto, "Exurgat," &c., &c. After the coining of the units—coins of similar value—these pieces were sometimes called sceptre units; the late sovereigns of the above type had the more appropriate motto, "Faciám eos in gentem unam." The double crown of 10s. is like the half sovereign, but has on the reverse, "Henricus rosas Regna Jacobus." The British crown of 5s. was similar. The thistle crown of 4s. has the rose of England on one side and the thistle of Scotland on the other, both crowned, the titles round

the rose, with "tueatur unita Deus" round the thistle. There was also a 2s. 6d. piece, with the king's head and "J. D. rosa sine spina," and on the reverse the arms, and the same motto as the last: also a crown and half crown similar, but with "tueatur," &c. The pieces coined in Scotland only differed by the arms of Scotland occupying the first place. In the pieces without arms there was no description, except the mint mark. In small silver pieces the thistle appears without the rose. The pound weight of gold 23½ carats fine, and ½ carat alloy, was next coined into 27 rose rials at 30 shillings each, or 54 spur rials at 15 shillings each; or it was made into 81 angels at 10 shillings each. The spur rial has the king standing between the fore and mizen masts of a ship, in armor, crowned, and holding a sword, and on his left arm a large shield, with his arms, &c., &c.; the reverse is the device of the old noble of Edward III, with the exception of the blazing sun substituted for part of the cross by Edward IV, and which now passed as a spur royal, from the resemblance of the rays to the roivel of a spur.

The rose rial of 30 shillings was similar to those of the preceding reigns, except that the king appears in the regular parliamentary robes. The motto on the reverse of the rose rial and spur rial is "A. Dno. factum est istud et est mirabile." The angels of this issue were very nearly of the old device. English gold coins being above the standard of value of those of the continent, their value was raised by proclamation as follows: sovereign 20 to 22 shillings; double crown, 10 to 11 shillings, and so on in proportion. At the same time regulations were made as to the rates at which foreign gold and silver, in coin and in the ingot, should be purchased. It was next arranged that the pound weight of gold of the old standard of 23½ carats fine, should now be coined into £44.

It being found that the irregular sums at which the gold coins were now rated was extremely inconvenient, a new gold coinage was determined on. These coins were to be of the highest standard, now termed angel gold. First, a thirty shilling piece, having the king in his parliament robes (still called a royal rial,) the figure finely executed in a new style, but the mottos the same; the reverse of the old rose rial, however, being abandoned for the royal arms. Second, a fifteen shilling piece of new device, having a lion, surmounted by the numerals XXX, holding a shield, with the numerals XV, J., and the titles; and on the reverse the old device of the noble, with the sun of Edward VI, with "A. Dno.," &c. Third, a ten shilling piece, or angel, with the old devices of the angel and ship greatly improved, and having the royal arms on the sail, and another pattern having the ship scooped out to receive a large shield with the arms. Of crown gold new units were made, having the king's head laureated in the Roman style—for the first time on modern English coins—the reverse, the royal arms, crowned, and the mottos as on the first mentioned units. These pieces were soon called "laurels." There was a ten shilling and a five shilling of the same pattern. Standard or angel gold was now coined into £44, 10s., and crown gold into £41.

The first gold coinage of James was of the same standard as those of the last of Elizabeth—namely, the pound weight of gold of 22 carats fine, and 2 alloy, to make 33 sovereigns and a half at 20s. each. Next the pound weight of the same gold was coined into 37 units at twenty shillings each, and a thistle crown of three shillings, because the English gold coins had long been of more value than those of other nations, and had been exported for melting—from the true proportion of the relative values of gold and silver not having been properly understood in England.

CHARLES I, 1625 TO 1646.

A coinage was soon issued in this reign, of the same purity and weight as those of the last; namely, 72-33 grains to the silver penny, which had been 8 grains in the beginning of Elizabeth, but was reduced to the above weight late in her reign. It is remarkable that during the gradual waste of his resources in the civil wars no debasement in the coinage took place; the very rudest of the coins of Charles, which are termed siege pieces, being of the proper purity and weight.

The first silver coins of this reign were of the same value and denomination as those of James. Crowns, half crowns, shillings, half shillings, two-pennies, pennies, and half pennies: the four large pieces had "Carolus D. G. Mag. Brit. Fra. et Hib. Rex." round a well executed bust of the king, and the reverse of the royal arms, as in the last reign, but with the motto, "Cris-to, auspice, regno." Pennies and half pennies were like those of James, except that they had the rose on both sides, with "C. D. G. rosa sine spina" on the obverse, and "Jus. Thronum firmat" on the reverse. But these pennies, &c. were soon followed by others having the king's bust, and the numerals II and I; and on the reverse the oval shield, with "justitia Thronum firmat" for motto. The oval shield, somewhat ornamented, was soon after adopted for the larger pieces also, with sometimes C. R. on either side. The shillings and sixpences represent the king in the dress of the day, and three changes of fashion may be traced in them. He is first seen in the stiff ruff, much like that of the reigns of Elizabeth and James, then in a limber or falling one, and, lastly, in a simple falling collar, edged with lace, as we see him in most of the pictures of Vandyke. On some of these pieces of his early coinages he appears in his parliamentary robes, but eventually both these styles disappeared, and he was constantly represented in armor, but with the falling lace collar. The crowns and half crowns have the king constantly on horseback, in armor. But the whole coinage of the reign is extremely irregular both in design and execution, and an immense number of trifling variations occur—far too numerous for the limits of this volume to allude to in detail.

None of those coined in the tower were dated, but the mint marks afford sure indications of the dates. To January, 1625, they are marked with the trefoil, to January, 1626, with the fleur delis, and so on. This refers especially to the London coinage; but in this reign there were extensive coinages of all the silver coins in various parts of the kingdom even before the troubles. Those of the York mint are very beautifully executed, and have a lion passant gardant for mint mark, also the word "Ebor," (York.) It is supposed the York mint was established when Strafford was president of the north, and some were probably coined when the king was at York, during his magnificent progress to Scotland. There was also established a permanent mint in his thirteenth year at Aberystwith, for refining and coining the silver produced from the Welsh lead mines. The coins of this mint may be known by the Welsh feathers. Several coins of this reign appear to have been produced by the mill and screw, under the direction, it is supposed, of Nicholas Briot, who had been chief engraver of the French monies. His coins may be known by having the letter B upon them, but their superiority consists chiefly in their mechanical execution, for the engravings of other artists of the time are more spirited. Mr. Le Blanc, author of the "*Traite historique des monnoyes de France*," says, speaking of Briot's residence in England—"On ne manqua pas se servir de ses machines, et de faire par son moyen les plus belles monnoyes du monde." He afterwards returned to France, where certain regulations were altered which had caused

him to leave in disgust. His return probably prevented the permanent establishment of the mill and screw in England at that time. He, however, prepared many patterns, which never came into circulation, and these are much prized in cabinets, for their rarity.

In the year 1642, when the king was at Nottingham, just about the breaking out of the civil war, he received as a loan from the universities, nearly all their plate, which was to be repaid at so much per oz. for the white silver, and so much extra for the gilt silver. Some of this was paid out in its original form to be sold for the pay of the troops; and so much of it as was coined, says Mr. Folkes, was minted probably at York. The king soon after removed to Shrewsbury, where the master of the Welsh mint, Mr. Bushell, was ordered to join the king, and money was coined there, but with what particular mark is unknown—probably the Welsh feathers. Little, however, was done, for Clarendon says, “it was indeed more for reputation than use, for, in the absence of sufficient workmen and instruments, they could not coin a thousand pounds a week.”

After the defeat at Edgehill, the king removed the mint of Aberystwith to Oxford, to coin there in the Mew Inn Hall, under the direction of Mr. Bushell and Sir William Parkhurst, all the remaining plate of the colleges. In this mint there appears to have been coined a large quantity of money, both of gold and silver, and as it was still considered the Welsh mint, only removed, the Welsh mark of the feathers was still continued. The money coined at Oxford did not differ materially from that previously coined; there are several varieties of types, and a great variety of degrees of excellence in the execution; some being of very mean design, and others very excellent. The silver twenty shilling and ten shilling pieces, however, are peculiar to this mint, and to this period, for no other such pieces occur in the annals of the English coinage. The best executed of these twenty shilling pieces is a very noble coin, having the king on horseback, crowned, and in armor, the horse trampling upon arms and trophies, surrounded by the usual titles; the reverse has the motto, “Exurgat Deus,” &c., with “Relig. prot. leg. ang. liber. par.,” dated 1644, alluding to his declaration at the breaking out of the war, that he would protect “the protestant religion, the laws and liberties of his subjects, and the privileges of parliament.” There is also a very beautiful crown of this mint with a view of the city, and the word “Oxon” above it, seen beneath the horse. The smaller pieces had the king’s head as previously, but the reverses were like those of the great twenty shilling piece described above. Some of the half shillings and groats have an open book as mint mark.

This coining down of the plate of the colleges caused the barbarous destruction of many relics of the highest antiquity; but such are the inevitable consequences of civil war, for in 1644, the commons house of parliament, with equal recklessness, ordered all the king’s plate in the tower to be melted down and coined, notwithstanding a remonstrance from the lords, alleging that the curious workmanship of the ancient plate was worth more than the metal. This remonstrance had no effect, and beautiful historic monuments of art went pell-mell to the crucible. On many occasions during the most disastrous fortunes of the king in the latter part of the civil war, his partizans were under the necessity of striking money in a rude manner, by coining down their plate for the relief of their men. By which course as many magnificent family monuments perished, as national ones had done by the sacrifices at Oxford and at the tower. The first of this sort of money, since called siege pieces, was coined at Dublin; it consisted merely of weighed pieces of plate stamped with numerals to denote its current value, and some had C. R. under a crown.

In 1645, when Carlisle was defended by Sir Thomas Glemham for the king, he coined down plate into shillings, &c., with the king's head very rudely done. Some are stamped with a castle, and numerals to denote the value—for instance, those struck during the siege of the castle of Scarborough. Others have a very ruinous castle, with "*Carolus fortuna resurgam.*"

Whilst Pontefract castle was defended, the coin stamped there had the motto, "*dum spiro spero.*" This castle was defended by Colonel John Morris seven weeks after the execution of the king; and after that event this staunch royalist struck coins in the name of Charles II. The shillings at this time were of an octagonal shape, with "*Carolus secundus, 1648,*" round the figure of the castle, and the reverse had "*post mortem patris pro filio.*" Of these irregular coins, or siege pieces, there is a great variety both of gold and silver. Some have doubted the authenticity of this money, on account of the silence of contemporary documents. But of pieces of Pontefract, Sir H. Ellis has recently discovered the contemporary notice required. It is contained in a newspaper of the times—"The Kingdom's Faithful and Impartial Scout," February 5, 1648; in which some of the square Pontefract shillings, found on a royalist prisoner by the republicans, are described as being stamped on one side with a castle, and the letters P. C., and on the other with a crown, having C. R. on each side of it: a perfectly correct description, with the exception of mistaking the C for O, which does, in fact, in some specimens appear nearly round. In this reign were coined also pieces for circulation in New England by Lord Baltimore, who was privileged to strike money with his own portrait.

The gold coinage of this reign is not various. The fine old sovereigns, or rials, with the king enthroned, as also the nobles, were finally abandoned after the beginning of the reign; but a small coinage of angels was issued, similar to those of James I, with the arms on the sail.

The principal coins in the early part of the reign were—the unit, or broad piece (twenty shillings,) with its half and quarter; first with the old shield garnished, and subsequently with the oval shield; some having on the reverse the motto, "*florent concordia Regna;*" others "*cultoris sui Deus protegit;*" the largest pieces had XX behind the head; the next X, and the smallest V, to indicate their value. The gold pieces struck at Oxford were three pounds, pounds, and ten shilling pieces, having a head of the king very meanly executed, holding the olive branch as well as the sword; and having on the reverse the motto, "*exurgat,*" &c. and "*Relig. pro.,*" &c. The large piece had the numerals III on the reverse, the lesser pieces XX and X respectively, behind the head. The ten shilling pieces are without the olive branch and sword of the larger ones.

New proclamations were again issued in this reign against private farthing tokens, but no good remedy applied to inconvenience that which called them into existence, though the privilege of making authorized farthings was granted to the Duchess of Richmond, and others, for seventeen years. These farthings were issued below their intrinsic value, causing endless discontent and disturbance throughout the reign. There were likewise siege pieces, of gold struck.

THE COMMONWEALTH TO END OF GEORGE II, 1648 TO 1660.

The commonwealth, with the energetic Cromwell as its directing genius, proceeded at once to effect great changes in the coinage. The royal arms were thrown aside, and the simple cross of St. George, as the suitable badge of Puritanical England, was adopted. It was placed within a palm and an olive branch, and had for legend, "*The Commonwealth of England,*" in

good plain English. On the reverse were two joined shields, one bearing the cross of St. George, the other the harp of Ireland, and the motto also in English, "God with us," and the date; that of the first being 1649. Sir Robert Harley, who had formerly been master of the mint for the late king, though he had accepted a reappointment from the parliament, yet refused to carry into effect this innovation in the types of the coins, and Aaron Guerdain, doctor of physic, was appointed in his place, under whose direction the change was effected.

The issue consisted of crowns, half crowns, shillings and half shillings, and pieces of two pence, a penny and a half penny. The larger pieces all bore the same devices, with the exception of being marked with Roman numerals to indicate their value. The smaller pieces had no mottos, and the half penny had simply the cross on one side, and the harp on the other.

On the perfect restoration of tranquillity, and the cooling down of the national mind from the turmoil and excitement of the civil war, towards 1651, the commonwealth resolved to avail themselves of all the most recent improvements in coining already adopted by several continental nations. It was determined that in beauty of mechanical execution the coins of this nation should not be behind any in the world, and the consequence was, that Pierre Blondeau, a Frenchman, an artist who had carried to perfection the most approved modes of stamping coin by the mill and screw, was invited to England.

On his arrival, he produced patterns of half crowns, shillings, and half shillings, coined by the new mill and screw, by which means a legend was impressed for the first time upon the edge. One half crown bore on the edge "truth and peace, 1651, Petrus Blondeaus;" another, "in the third yeare of freedome by God's blessing restored." The shillings and sixpences were beautifully grained on the edges, and the pieces were brought to their true weight with the utmost exactness. They finally engaged with Blondeau to work these pieces, which bore the usual device of the commonwealth. But no issue was ever made of them; they can therefore only be considered as patterns, and are very rare. The established workers of the mint also sent in fresh rival patterns, one of which had the double shield, supported by winged figures, with motto "guarded by angels." In the end, the opposition of the existing functionaries in the mint frustrated the schemes of Blondeau, who was prevented from carrying into effect his projected reforms; an interesting paper on which subject will be found in the transactions of the Numismatic Society, 6,261. The screw process was, however, adopted, though without the immediate aid of Blondeau, who appears to have been ill used. In the latter part of his protectorate, after his second solemn investiture, Cromwell caused coins to be executed bearing his bust, but it is supposed that few, if any, were issued, as coins of the old type of the same date are much more numerous; they must therefore be regarded as patterns. They are exceedingly well executed by the mill process, and have the laureated bust of the Protector, with "Olivar D. G. R. P. Ang. Sco. Hib. &c., Pro.," assuming the title of Protector of the Republic of England, Scotland, and Ireland, but substituting "&c." for France. This bust is the work of the celebrated Simon, and most beautifully executed, in a manner far superior in point of art to anything that had ever been seen upon an English coin before. The crowns and half crowns are indeed most remarkable medals, as regards both the engraver's and the coiner's art. The reverse has a crowned shield, with the arms of England, (the cross) of Ireland, and Scotland, and "Pax quæritur bello." The crowns and half crowns have letters beautifully impressed on the edge, the shillings and sixpences being very neatly grained. They were the best executed coins that had then issued from the English, or per-

haps any other mint. The silver standard adopted by the commonwealth was 11 oz. 2 drs. fine, and 18 drs. alloy. The gold coins bore the same devices and mottos as the silver ones, and were simply twenty shilling, ten, and five shilling pieces: the twenty shilling pieces contained 3 dwts. 20 grs. of 22 carats gold.

On the gold coin the bust is represented without drapery, a distinction subsequently adopted in succeeding coinages up to George III, with the exception of those of Queen Anne, who somewhat fastidiously objected, on the score of delicacy. Some few of her gold coins nevertheless exist without the drapery, but they are probably only suppressed patterns. This twenty shilling piece of the Protector appears much smaller than the previous pieces, but it is much thicker, the milled pieces becoming generally smaller and thicker than the previous hammered ones. The trials of copper farthings which had been attempted in James I, were again made during the commonwealth, but it is supposed not issued.

CHARLES II, 1660 TO 1684.

On his accession in the year 1660, there were issued silver coins, from half crowns downwards, with the exception of groats and quarter shillings, which were soon after added. They were, with a view perhaps of returning to the extreme of orthodoxy, much like the earliest of his father's coins, with the old shield traversed by the cross fleurie, and the same mottos. The new improvements of the mill and screw were also abandoned, and the coins were again produced by the old hammer process.

The first issue was without numerals indicating the value, or inner circle; a second issue had the numerals, but still no inner circle; but in 1661 the respective values were ordered to be stamped on each, and these new coins had also the inner circle or line within the legend, absent generally in the first. These first silver coins of Charles II may be said to be the last of our series which represent the sovereign in the costume of the day. Some have the lace collar over armor, and others over an ermine robe, and all are crowned, also for the last time; no subsequent English coin bears a "crowned head," in a literal sense.

In 1662 the previously mentioned Peter Blondeau was formally engaged to direct the mint upon the new principle of mill and screw, and a competition for engraving the dies was entered into between the celebrated Simon, who had engraved the dies for the Protector's last coins, and John Roeter of Antwerp, which was unfairly decided in favor of Roeter. Simon afterwards produced a pattern crown, most exquisitely engraved, which is considered quite a model of the art of that or even any period, and very superior to any contemporary work of the class, if we except his own previous works, the busts of Cromwell on the crowns and half crowns. On the edge of this famous coin is inscribed his petition to the king against the previous unjust decision, which was of course unheeded. The petition runs, "Thomas Simon most humbly prays your majesty to compare this his trial piece with the Dutch, and if more truly drawn and embossed, more gracefully ordered, and more accurately engraven, to relieve him."

In 1663 the first issue of the improved milled coinage took place, consisting of crowns, half crowns, and half shillings, very handsomely and well executed, having the king's head laureated, and the shoulders mantled in the conventional Roman style, to the left, contrary to the preceding coins, with "Carolus II, Dei Gratia." On the reverse, four shields forming a cross, having the arms of England, Scotland, and Ireland, with linked C's in the angles, the star of the garter in the centre, and around, the king's titles, and

the date. The crowns and half crowns have "Deus et tutamen" on the edge, an invention, like the milled notching or graining, to prevent clipping; this motto, Evelyn says, was suggested by himself to the maker to intimate that it was at once an ornament and a protection to the coin. The shillings and sixpences were milled at the edge, at first by an upright notching, and afterwards by an oblique one; some have on the edges the year of the reign written, as "Anno Regni XVIII;" others written as "Tricesimo sexto" (36;) by which number it will be seen that the reign was calculated from the death of Charles I, leaving out the commonwealth. The portrait style, in the costume of the day above alluded to, was now finally abandoned, the first and second issue of Charles being the latest examples. The feeling of the new designs was doubtless taken from the designs of Simon, who had previously introduced it in the busts of the Protector.

This conventional Roman style was founded in France about the reign of Louis XIII, and in matters of taste France began very sensibly, though slowly, to influence the taste in England. The disposition of the four shields in the form of a cross, that extremely pleasing device which continued to George III, was also, I have no doubt, an idea of Simon's, judging from early patterns of his, in which it is imperfectly shadowed out. The smaller coins also of this issue were milled, but retained the old types. Soon after, however, the small coins were assimilated in style, the groat being distinguished by four linked C's, the three penny piece by three, the two penny piece by two, and the penny by one; and silver half pennies were no longer coined. Coins below sixpence, after this introduction of the mill, were only struck for Maundy money, and were struck to conform to the old custom of distributing the royal bounty on Holy or Maundy-Thursday; a white bag was given to a certain number of poor persons containing as many coins as the king numbered in years. The gold coins were not various; the first had the head, laureated in the Roman style, with the old shield on the reverse, the next had the head similar, but the oval shield on the reverse. The reverses of both had the motto "Florent concordia regna." There were twenty shillings, ten, and five. In 1664 a gold coinage by the new process was issued, having the bust undraped, as in the Cromwell gold pieces, and the reverse, four crowned shields, bearing the arms of England, &c., with sceptres in the angles; this coinage consisted of five pound pieces, forty shilling pieces, guineas, (now for the first time so called from being made from gold brought from Guinea by the African company,) and half guineas. Those coined of the gold imported by the African company had a small elephant under the bust of the king; this was done as an encouragement to the importation of gold. The term guinea for a twenty shilling piece afterwards continued to the reign of George III, without reference to the source of the gold.

It was determined at the beginning of this reign, the English gold coin being still above the value of those of other nations, to increase their nominal value, and the unit of twenty shillings was now raised to twenty-two shillings, and other coins in proportion, and the new coinage made to correspond; that is to say, the pound weight of gold was coined into as many more pieces of twenty shillings and ten shillings respectively as should make them of the same relative value as the raised units, &c. In 1670 the weight of the gold coins was again reduced, the pound of gold (22 carats fine) being coined into £44, 10s. At the end of this reign an act was passed, with the view of encouraging the bringing of bullion to the mint, removing all charges upon coinage, for private individuals; the state undertaking to be at the whole expense, and the full weight of bullion was to be returned in coin without any reduction. But to defray the expenses incurred, a duty on foreign wines, vinegar, &c. was levied.

It is said that Charles II, was much displeased with the colonists in Massachusetts on account of their coining money, which he considered a breach of his prerogative, and threatened to Sir Thomas Temple that they should be punished. Upon which Sir Thomas took some of the pieces from his pocket to show to the king, on the reverse of which was a pine tree, one of that species of pine common in the colony that grows flat and bushy at the top like the Italian pine. The king asked what tree it was, upon which Sir Thomas Temple told him that of course it was the royal oak, which had preserved his majesty's life; upon which the king said no more of punishment, but laughing, called them "honest dogs."

On the Copper Coinage.—Copper being first issued in bulk in this reign, this appears the proper place to give a slight sketch of the events which led to its adoption. As early as the reign of Henry VII and VIII, we learn from an incidental passage in Erasmus, that leaden tokens of low value were in use, though whether sanctioned by the government or not is unknown. Similar tokens were, however, in use without the sanction of government in the reign of Elizabeth. They were called pledges or tokens, passing as half pennies and farthings, being issued, for convenience, by grocers, vinters, &c., who felt the great want of small change. On taking the matter into consideration, Elizabeth decreed that they should henceforward only be made by her, and only of pure copper, and that the half penny should weigh 14 grs. and the farthings 7 grs. It is supposed, however, that neither were issued, though patterns exist. It was probably on the failure of this scheme that the queen granted to the city of Bristol the privilege to coin tokens to circulate in that city and ten miles round.

James abolished (nominally) all leaden tokens of private traders, and issued a small quantity of copper farthings of his own mint; but there was no second issue, and the private tokens again prevailed; and in the troubled reign of his son they doubtless increased, as they were a source of large profit to the small greedy trader.

During the time of the commonwealth, Cromwell endeavored to put down this fraudulent money, by an efficient coinage of copper, of which specimens are shown in the plate referring to that period; he died, however, before carrying out his purpose; so that the excellent devices for his projected coinage of farthings remain as mere patterns, and it was not till long after the restoration that copper was first issued in bulk. At first a patent was granted to Sir Thomas Armstrong, to coin farthings of copper for twenty-one years. For this privilege he was to pay the sum of £16, 13s. 4d. per annum. He was to issue 21s. of farthings for 20s. of silver, and take them back at the same rate. In 1665 half pence of the royal mint were issued in small quantities; some say only patterns were done: they have the king's head, and "Carolus a Carolo;" the reverse, Britannia, with "quatuor maria vindico," alluding to the empire of the sea, so often claimed by our sovereigns. The figure of Britannia is very graceful, and beautifully executed. It is said to be a portrait of the beautiful Frances Stuart. The general character of the device was, of course, suggested by the Britannia of some of the Roman coins relating to Britain; but it has an original character of its own, and all the details of face, figure, and drapery, are quite original; the drapery falling off the shoulder, is very graceful, and the whole is executed in an elegant feeling. The farthing is not quite so elegant, and has one leg bare: the specimen is the half penny, showing the obverse only. These farthings were called Lord Lucas' farthings, from the circumstance of his making a speech against the state of the currency in the presence of the king; first alluding to the total disappearance of the commonwealth coins, which, from the form of the two joining shields, were called breeches; "a fit name,"

says Lord Lucas, "for the coins of the Rump;" who then proceeds to state, that he sees no probability of their being replaced, "unless it be by copper farthings, and this is the metal, according to the inscription on it, which is to vindicate the dominion of the four seas." The half pence and farthings positively issued in 1665, the first real copper coinage, were the same as the patterns above alluded to, with the exception of having the simple motto of "Britannia" on the reverse, instead of the one ridiculed by Lord Lucas; and these coins being of the intrinsic value that they were issued for, nearly superseded the private tokens, which no law had been able to put down. But so great was their convenience and the profit upon their issue, that they still continued for sometime, notwithstanding stringent enactments against them. Tin farthings, with a stud of copper in them, to render their imitation difficult, were also issued at the end of this reign, having on the edge, "Nummorum famulus."

JAMES II, 1684 to 1688.

The bust of this king is turned to the left, the reverse of that of his predecessor; a custom that we shall now find constantly adhered to. The coins were in other respects similar to the last of Charles II, having the bust and name on one side, and the arms and titles on the other, with no other motto. The arms were four shields arranged as a cross, but without linked letters in the angles: the inscriptions on the edges are, "Anno regni secundo," &c. The shillings and sixpences are milled with oblique lines, and the lesser pieces, or Maundy money, are marked IIII to I, with a crown above. The 5s. pieces, in fine condition, of this king, are rare; that of 1688, very perfect, sold at Edmonds' sale for £1, 11s 6d.

Of this reign the gold coinage differs only from the last in having the head turned the other way. The guineas and half guineas—names now established for all 20s. and 10s. pieces—have the same devices as the larger pieces. Of copper money very little appeared in this reign, the half pennies and farthings being of tin, with a copper plug. The reverses are the same as those of his predecessors, but they are not quite so well executed: both half pennies and farthings have "Famulus nummorum" on the edge.

ROMAN COINS.

On the establishment of the Romans in Britain, their coins soon superseded those of the natives (to be described hereafter,) and circulated throughout the whole of Romanised Britain, leaving, doubtless, after the retirement of the Roman power, some sort of taste for its style, though less than might be expected. The Roman art, however, influenced the style of our coinage a second time through the lower empire; the coins of Constantinople forming probably the types of those Saxon and Norman coins, by which the degenerate remains of our former Roman currency were so completely superseded, and the basis of our present money laid. There is a great similarity, even in style of art, from the 10th to the 12th century, A. D. between the coins of the lower empire and those of the whole of continental Europe, and they present no marked superiority of execution over those of comparatively barbarous nations, so low had some branches of art sunk at that period, even at Constantinople; and yet the Byzantine influence was the only one then felt, and it may be said to have moulded the arts of the whole of northern Europe at that period, and its influence in the central and eastern portions was felt for some centuries later.

(Continued at page 81.)

BANK STATISTICS.

BANKS OF CONNECTICUT, MAY, 1847.

Report to the Honorable General Assembly of the State of Connecticut, now in session at the city of Hartford.

The undersigned, bank commissioners, in conclusion of the discharge of the duties of their appointment would respectfully **REPORT**:

That they have made a personal and thorough examination of each of the several banks in this state; and have carefully inquired into the general course of their business, the rules and regulations which they have prescribed for their own government, and their present condition. They have also required of the several cashiers, frequent statements of the condition of their respective banks in writing and under oath. In general, the cashiers have made out the required statements in a satisfactory manner, and forwarded them to the undersigned with punctuality; although, in some cases the statements have been long delayed, and in a few instances the cashiers have neglected to make oath to the truth of their statements.

In the personal examinations and inquiries which the undersigned have deemed it their duty to make into the affairs of the several banks, their respective officers have furnished such aid, and information as were required.

During the past year, every bank in the state has made, at least, its customary dividends, averaging $3\frac{1}{2}$ per cent., semi-annually, on the aggregate of their capital; and it is believed that the stock of every bank, with perhaps one or two exceptions, commands in the market, when any is offered, an advance on its *par* value. These facts very clearly indicate, that the banks of this state are in a sound, healthy, and safe condition; and in the thorough inspection of their affairs which the undersigned have made, and they have inspected nearly all of them *twice* during the year, they have discovered nothing which should reverse those indications, or disturb the public confidence in their present ability fully to meet all their engagements.

There are now in this state thirty-two banks and two branches; and the following statement exhibits the aggregate of their liabilities to the public, and of their resources to meet them.

Resources.		Liabilities.	
Specie,	\$462,165 53	Circulation,	\$4,437,631 06
Bills of other banks,	227,481 00	Deposits,	1,751,655 26
Checks and cash items,	43,139 02	Due other banks,	245,816 88
Due from banks,	1,250,410 91	Dividends unpaid,	31,266 59
Due from brokers,	332,542 20	Other liabilities,	7,809 79
Over drafts,	17,943 51		
Stocks,	301,901 93		
Real estate,	349,044 89		
Bills discounted,	12,781,857 43		
Aggregate,	\$15,766,486 42	Aggregate,	\$6,474,179 58

If the condition of our banks at this time, be compared with their condition a year since, it will be seen, that notwithstanding their circulation and deposits have fallen off, their capital and profits have increased. This difference, together with a slight gain in bank balances, would enable the banks to extend greater accommodations to the public at this time, than were furnished during the time embraced in the report of the bank commissioners of 1846.

The capital and deposits have increased during the year,	\$237,846 33
The bank credits have increased in same time,	97,546 53
Total increase of means,	\$335,392 86
The appar't circulat'n last year,	4,565,947 06
This year it is,	4,437,631 06—\$128,316 00
The deposits last year were,	1,813,821 05
This year they are,	1,751,655 26— 62,165 79—\$190,481 79

Showing an increase of means of \$144,911 07

The following table also will show that in respect of immediate liabilities and immediate resources, the banks in this state are in better condition than they were at the close of the last year preceding the present.

Immediate Liabilities.	April, 1846.	April, 1847.
Circulation,	4,565,947 06	4,437,631 06
Deposits,	1,813,821 05	1,751,655 26
Due banks,	362,119 13	245,816 88
Unpaid dividends,	78,151 88	31,266 59
	<hr/> \$6,820,039 12	<hr/> \$6,466,369 79
Immediate Resources.		
Specie,	481,367 09	462,165 53
Bills of other banks and cash items,	276,758 27	270,618 02
Due from banks,	1,036,552 15	1,250,410 91
Due from brokers,	380,341 75	332,542 20
	<hr/> \$2,175,019 26	<hr/> \$2,315,736 56

The stocks held by the several banks are perhaps properly to be included in the account of *immediate* resources, though not included in the above table, for not quite all of them are immediately convertible at their par value. The present available means of the banks are about thirty per cent. of their present liabilities, and if the amount of their stocks be estimated as available means, they amount to thirty-seven per cent. of their liabilities. The year preceding the present they were less than twenty-eight per cent.

The following table exhibits the comparative condition of the banks in this state in the years 1846, and 1847, in three leading particulars:

	1846.	1847.
Loans and discounts,	\$13,032,600 78	\$12,781,857 43
Specie,	481,367 09	462,165 53
Circulation,	4,565,947 06	4,437,631 06

The above table shows a diminution of specie in their vaults, and a curtailment of loans and circulation in about the same ratio.

The aggregate liabilities of the banks to the public, which in 1846 was \$6,820,039 12, is now reduced to \$6,474,179 58. The only investment *increased* within the year, is in balances due from other banks, while every item of liability has *decreased*.

Notwithstanding, the amount of circulation *appears* to have been diminished during the year, the sum of \$138,316, the *actual* diminution of the currency among the people has been less than that.

The whole *apparent* circulation on the 1st of April last, was \$4,437,630 06
From which deduct each other's notes held 227,481 00

The actual amount of bank note circulation is \$4,210,150 06

The same calculations made from the report of last year, will show the *actual* circulation then to have been, \$4,289,188 79. So that there has been an actual falling off in the currency afloat, of the several banks, \$79,038 63. If the decrease of the amount of specie be deemed as so much withdrawn from the currency of the state, the statement would then show a falling off in the currency, at least of \$98,240 19.

The foregoing tables and calculations show that the indications of soundness above referred to, are real, and reliable; and that our banks are now in good condition to subserve the purposes and objects for which they were called into existence.

The only legitimate object to be attained in the creation of banking capital, is, as the undersigned believe, the convenience and accommodation of the public; and in ministering to the business wants and convenience of our citizens, the interests of the stockholders should be held in due regard, and placed in no unnecessary jeopardy.

But the practice of some of the banks, which allows companies, and even single individuals, to incur very large liabilities, both on their own paper, and as endorsers of the paper of others, is but little calculated to afford general accommodation to the public in its business transactions, or to secure the interests of stockholders. And practices of this description are by no means rare in the history of banking in Connecticut. The undersigned, in the course of their examinations, have found that banks of less than one hundred thousand dollars capital, are allowing companies and individuals to keep up lines of discount and accommodation, of ten, fifteen, twenty, and thirty thousand dollars each; while some of the banks of larger capital, allow companies and individuals to keep up lines of discount and accommodation, of thirty, fifty, seventy, ninety, and one hundred thousand dollars each.

The fluctuations and revulsions of trade and business are too frequent, and too great, to allow the continuance of this practice, with safety to the stockholders, or justice to the community.

The offered apology for such course of proceeding, that it is of great importance to the banks to retain the accounts of such companies and individuals, becomes entirely insignificant when compared with the danger of suffering such customers to obtain, in this manner, an improper influence, or a controlling power, over the banks themselves. Those who have contracted such large liabilities would, in times of great pressure, call still more loudly for an increase of bank accommodations—the banks foreseeing that these customers cannot fail, without casting upon them a loss, will endeavor to sustain their business by increasing their lines of discount and accommodation; or at least, by not calling in their present demands—and finally, when such failures actually transpire, the stockholders must necessarily suffer; and if the depression of business be general, severe, and long continued, there is danger that in the end, bill-holders and depositors, as well as stockholders, will share the losses consequent upon a system of excessive accommodations.

The history of the last bank failure in this state, so familiar to all our citizens, should furnish a potent warning against such practices, both to the officers of banks, and to all those who have an interest in the course of their management.

Every bank in the state, after making its last dividend, had on hand a surplus of the earnings of the bank, which has been accumulating from year to year, over and above the amount of their dividends; and in some instances this surplus fund now amounts to a full dividend of more than seven per cent. on their capital.

Although this surplus ought not to be allowed so to accumulate as to

tempt those, who, from their position, must know the true condition of the bank, to take advantage, in the purchase of their stocks, of those who are less well-informed; yet the undersigned believe that the banks should be prohibited from making any dividend of greater rate than six per cent. per annum, without leaving a surplus, over and above their bad debts, equal to a dividend of that rate. The undersigned will not inquire whether such a provision of law would most affect banks of a large or small capital; but they are persuaded that such a regulation would secure regular and uniform dividends to stockholders, and would render the officers of the several banks less reluctant to charge over bad debts to the account of profit and loss, while they would be better able than they now are, to make a full statement of the real condition of the institutions over which they preside.

While the undersigned are persuaded that these surplus funds of the several banks should be increased to a reasonable amount, for proper purposes, yet they would not thereby enable the principal officers of a bank to speculate in its stocks, nor would they suffer the directors of a bank to vote any portion of it to one of their number as a present or gratuity. They are not advised that any practice of making presents in this manner has been established in any bank of the state; but in the records of the proceedings of the directors of one bank, the undersigned find the following vote under date of November 5th, A. D. 1845.

"Present—Messrs. Goodwin, president—Pratt, Cutler, Keney, Hills, Buck and Pomroy.

"The following resolution was presented and *unanimously* adopted:

"Voted—That the board present to A. H. Pomroy, Esq. \$500 for his services to the institution."

It does not appear from what fund the amount of the above present was to be taken, whether from the capital stock of the bank, from its surplus fund, or from accruing interest; nor in principle would it make much difference. But the undersigned know of no state of things which could justify such a proceeding; while they discover in the principle which it involves, much to condemn as utterly inexcusable.

The attention of the undersigned has been drawn to the fact, that a considerable portion of the suspended debts, and protested paper of many of the banks, has grown out of their extensive loans and discounts to persons, companies and corporations of other states. Such loans and discounts when once made, are beyond the jurisdiction of this state, and beyond the control and watchfulness of the institutions by whom they are made. The condition of those to whom they are extended, cannot be so well and fully known, as the condition of our own citizens who have occasion for such facilities; and hence, it is by no means surprising, that a greater loss should be sustained upon loans and discounts thus effected, than upon an equal amount of loans and discounts to the citizens of this state, residing as most of them do, in the vicinity of the several banks where their business is transacted. A very sound and wholesome rule, requiring at least one substantial and responsible endorser of this state, on all paper from abroad, was formerly adopted and in general, if not universal observance by our banks; but it is a fact that this rule, in many of the banks is now much relaxed, and in some of them, if it exist at all, is entirely disregarded.

By the last returns of the banks of this state, it appears that the amount of their loans, discounts, and accommodations to persons, companies, and corporations of other states was \$3,049,902 80, and the amount of their suspended debts and paper past due, at the same time, of persons, companies and corporations of other states was \$124,726 13.

But the undersigned are satisfied that this last item is much under stated

by the banks; for many of them have not distinguished in their returns, between the amount thus over-due from within this state, and the amount over-due from other states. Indeed, some of the banks have made no statement whatever of their suspended paper, while the undersigned have found, upon personal examination, that they have considerable amounts of such paper on hand.

The reason assigned by the banks for extending so large accommodations to persons, companies and corporations of other states is, that *they cannot make use of their capital at home, and that it must be used abroad or lie idle in their vaults*. If the real object to be attained in the incorporation of banking capital is the convenience and accommodation of our own citizens, it is evident, that, in some sections of the state, there is too much banking capital incorporated; and those institutions who find themselves possessed of larger capital than they can use in carrying out the legitimate purpose of their creation, might, it is believed, with great propriety be called upon to submit to a reduction of their capital, to the wants of the business community where they are located; in order that some of the evils arising from an improper use of banking capital may be averted, and that such portions of the amount of surplus capital, as may be needed, if any, may be located in those sections of the state which are not now adequately furnished with banking facilities.

The check upon excessive issues furnished by the arrangement of most of the New England banks, for a frequent redemption of their bills at the Suffolk Bank in Boston, has hitherto proved highly salutary, and alike conducive to the safety of the banks and of the people. Most of the banks in this state have long been in this arrangement, and it is believed that they have met their redemptions with great punctuality. This course of redemption will doubtless be continued, and so long as it is carried out with punctuality and in good faith, little danger will arise that the bills of our banks will be depreciated.

But no such arrangement can dispense with the necessity and propriety of keeping a reasonable amount of specie at all times on hand, to meet unexpected demands, and to enable the banks to sustain any pressure or convulsion by which they may be affected. The undersigned have endeavored to induce the banks, generally, to increase the amount of their specie, and in some instances with success; but it is believed that the present amount of specie in the vaults of the various banks in this state, is generally too small to act a very efficient part in sustaining them in any trying exigency.

In times of ordinary prosperity, it is perhaps true that most of the banks have specie enough for every practical purpose; and that with the aid of their public stocks, cash balances, deposits, and bills receivable, they will be able promptly to meet all their engagements, without difficulty. The present is a season of great prosperity with the banks, as well as with every other great interest in the community; and it is deemed important that it should be improved by the banks, in so fortifying their positions, as that whatever revulsions may come upon the trade and general business of the state, they may not be aggravated by a resort of the banks to a suspension of specie payments.

There are perhaps no present indications that any embarrassing crisis in the business of the community, is approaching; but banks should be, at all times, prepared to maintain their positions with unshaken firmness, amidst all the changes and fluctuations by which they may be surrounded.

The attention of the undersigned has been called to the fact, that under existing laws, it is often within the power of the principal officers of our several banks, to exercise a highly improper, if not dangerous influence, in the election of directors. It often happens that comparatively few of the

real stockholders of a bank are present at the annual meeting of the stockholders for the choice of directors—and it has sometimes been true, that when a bank president or cashier was disposed to get rid of an honest and independent director, they have been quite willing to relieve the stockholders from the inconvenience of attending the annual meeting and have secured in their own, or the hands of their friends, the authority to represent and vote upon their stock. Within the past year, as the undersigned have reason to believe, one or more instances have occurred in which such an improper influence was exerted in the election of directors; and one instance of especial flagrancy occurred in June last, as the undersigned are assured from sources entitled to the highest respect and confidence. The information in respect of the occurrence last adverted to, came to the undersigned at too late a period to enable them to visit the institution again, and make the necessary investigation; and they only now desire to call attention to the subject of proxy-voting, and the evils and abuses which are believed to attend and grow out of any system which allows it.

The undersigned would with great confidence recommend the passage of a law which shall prohibit such proxy-voting, with such regulations as may be necessary for the due representation of such stock as may be in the hands of females and minors.

It is believed that while no good can result to the community from allowing banks to become the owners of the stock of themselves respectively, nor from allowing bank officers, either in their own names or as the agents of others, to trade and speculate in the stocks of their respective banks, much evil may result from the exercise of such authority and power. It is highly to be desired that the stock of every bank should be held by many different persons in the community, while the several banks, as such, should at no time be allowed to own and hold their own stock. If any bank is forced to take its own stock in payment of debts previously contracted by the original stockholder, the bank should be required to dispose of it at the earliest practicable period.

It is recommended, therefore, that a law be passed in accordance with the above views, in relation to the ownership of bank stocks; and to the authority of bank presidents, cashiers, &c. to trade and speculate in the stocks of their respective banks; the precise value of which stock, their peculiar means of knowledge gives them the exclusive power of determining.

The banks of the state are in general managed with a due regard to the interests of the public and the stockholders; and the regulations and restraints imposed upon them by law have been well observed.

A practice however is sanctioned in some of the banks which allows some person or persons under the direction of the board of directors, with the funds and for the use of the bank, to buy up notes that are thrown for sale upon the market. The undersigned believe that these operations fall within no just principle of banking and ought to be discountenanced.

But the general course of business adopted and pursued in our banking institutions, is subject, it is believed, to as few well founded objections as attach to the banking system of any state in the union. While the money of the stockholders finds in our banks a safe and productive investment, and active business operations are furnished with every just and reasonable accommodation, the community is at all times supplied with a currency which is ample, convenient, and in no present danger of depreciation.

The several savings' banks and savings' institutes of the state, have received the attention which their capacity for usefulness, and their increasing importance required. The number of depositors is already large, and is constantly increasing. The class of persons for whose especial benefit in-

stitutions of this character were devised and established, are deriving every advantage from them which they seek, and which a well regulated system of savings can be expected to afford. Their deposits are safe; they are managed, it is believed, with fidelity; and every depositor of this class, finds in his regularly increasing account, a continual incentive to industry and economy, and to the making of new deposits to secure the surplus earnings of his labor.

The advantages which these institutions afford to the poor and laboring classes of the community, have not escaped the attention of persons in more easy and affluent circumstances; and there are not a few instances in which persons of wealth have from time to time made deposits of considerable sums in savings' banks, both in their own names, and in the names of others. But the officers to whose management the affairs of these institutions are now entrusted, profess the determination that they shall hereafter be made to subserve only the purposes and objects contemplated in their creation; and that those whose situation will enable them to manage their own funds, shall not be allowed to commingle them with the funds of those, who may properly seek the aid and assistance of these valuable and highly beneficial institutions.

A vast amount of money has already been deposited in these savings' banks; and it is being constantly increased by accumulations of interest, by new deposits to existing accounts and by original deposits from new depositors. These sums, under a judicious direction, are loaned out in the community upon various real and personal securities, and invested in certain productive stocks, as authorized by law.

Although it could not be expected that the undersigned would make critical examination of all the several securities taken under such direction, and determine their value by apprizement or otherwise; yet they have made such examination and inquiries as satisfy them, that the securities are in general ample; and they apprehend little danger of loss to depositors from the failure or insufficiency of any of the securities upon which loans have been made.

It is believed that the present laws of the state which relate to savings' institutions are wise and just; and the undersigned, from any thing that has been brought to their notice, are not prepared to recommend the adoption of any new provisions.

If judiciously managed, these institutions will afford, under existing regulations, to the class of depositors who are justly entitled to their benefits, every advantage which the nature of the case will allow; while those, who, by a long course of economy, have secured to themselves considerable sums in deposit, and those who, contrary to the intent in which savings' banks originated, have become depositors of considerable sums, will receive all the advantages of these institutions, subject only to the inconsiderable burthens which are imposed upon our citizens in general, and which are necessary to the maintenance of society and government.

Annexed hereto will be found an "abstract of the condition of the banks in Connecticut, April 1, 1847;" also a "summary of bank returns for two last years;" also an "abstract from the bank commissioners' reports for the last eleven years."

All which is respectfully submitted.

GEO. S. CATLIN,
W. S. HOLABIRD, } Bank Commissioners.
EDWIN STEARNS,

HARTFORD, May 13, A. D. 1847

LIABILITIES OF THE BANKS OF CONNECTICUT.

From the Official Reports made to the Bank Commissioners.

LIABILITIES.					
Name of Bank.	Location.	Capital stock.	Bills in circulation.	Deposits.	Due other banks.
1 Hartford,	Hartford,	1,134,600	475,695	219,705	51,796
2 Phoenix,	"	1,283,000	452,836	155,661	45,742
3 Farmers and Mechanics',	"	539,900	273,416	160,962	5,039
4 Exchange,	"	525,000	225,224	82,514	15,585
5 Connecticut River,	"	250,000	89,763	40,208	544
6 New Haven,	New Haven,	364,800	181,492	96,664	9,900
7 New Haven County,	"	513,975	172,449	54,070	1,261
8 City,	"	500,000	199,515	112,127	9,803
9 Mechanics',	"	300,000	165,661	125,284	25,133
10 Meriden,	Meriden,	150,000	70,411	10,030	615
11 Middletown,	Middletown,	369,300	93,221	42,763	571
12 Middlesex County,	"	220,900	106,858	28,862	5,471
13 East Haddam,	East Haddam,	66,080	80,265	20,063	4
14 New London,	New London,	150,875	37,699	11,158	677
15 Whaling,	"	163,450	55,960	24,561	277
16 Union,	"	100,000	70,202	22,268	1,175
17 Norwich,	Norwich,	210,000	86,718	56,002	19,967
18 Merchants',	"	156,541	67,327	46,673	1,483
19 Thames,	"	209,900	96,809	39,564	1,124
20 Quinebaug,	"	250,000	100,320	37,847	26,610
21 Jewett City,	Jewett City,	44,000	47,464	2,654	5,258
22 Mystic,	Mystic,	51,700	44,062	6,945	168
23 Stonington,	Stonington,	59,650	49,531	38,667	281
24 Windham,	Windham,	59,971	64,567	14,389	910
25 Windham County,	Brooklyn,	62,700	64,510	8,524	306
26 Thompson,	Thompson,	60,000	71,457	11,987	
27 Tolland County,	Tolland,	80,200	79,979	51,816	1,696
28 Bridgeport,	Bridgeport,	210,000	251,918	84,814	2,754
29 Connecticut,	"	269,700	210,000	84,203	4,214
30 Fairfield County,	Norwalk,	100,000	188,326	30,329	1,883
31 Danbury,	Danbury,	89,500	156,508	13,658	4,687
32 Stamford,	Stamford,	60,000	107,468	16,677	870
		\$8,605,742	\$4,437,631	\$1,751,655	\$245,816

SAVINGS' BANKS OF CONNECTICUT, APRIL 1, 1847.

	Number of depositors.	Amount of deposits.	Dividend. 1846.	Annual expenses.
Hartford Savings' Bank,.....	\$8,814	\$1,060,881	5½	\$2,532
Middletown do.	4,194	629,826	5½	1,287
New Haven do.	3,492	459,148	5	1,670
Norwich do.	2,663	433,411	5	1,136
Bridgeport do.	1,048	160,922	5	865
Tolland do.	686	66,557	5	428
New London do.	1,374	263,112	5	536
Willimantic do.	325	32,651	5	60
Derby do.	67	4,130	5	
Total in Connecticut,.....	\$23,663	\$3,116,638		\$8,514

RESOURCES OF THE BANKS OF CONNECTICUT.

APRIL 1, 1847.

RESOURCES:							
	Specie.	Due from other banks.	Loans in this state.	Loans in other states.	For manf'g companies.	Total resources.	Last divid'd Per cent.
1	71,963	78,941	976,452	442,691	380,985	2,017,433	3½
2	43,232	71,184	1,285,098	371,100	178,500	2,083,695	4
3	42,466	36,459	506,083	362,338	29,400	1,042,815	3½
4	12,128	41,747	624,955	157,928		887,492	3½
5	15,039	19,515	143,543	160,354		389,224	3
6	24,486	81,346	300,856	245,263		671,978	4
7	23,874	77,539	262,117	282,199	17,967	768,864	4
8	32,168	48,480	312,278	297,276		842,378	3½
9	16,462	132,271	445,301	26,766		639,334	4 1-6
10	5,188	22,111	153,936	19,050	15,000	240,518	3½
11	18,293	5,829	208,180	225,787	20,097	537,809	3½
12	11,610	20,223	173,879	112,806	21,694	373,525	3
13	5,471	17,924	87,412	22,386		175,161	3
14	5,713	14,403	171,594	2,000		207,007	3½
15	4,590	28,744	104,211	27,434	10,589	252,001	3
16	5,662	31,385	160,831			206,545	5
17	7,147	28,134	291,409			383,226	4
18	5,758	19,082	223,587			282,825	3½
19	4,891	21,625	281,612		21,469	352,406	4
20	6,327	11,137	360,439	11,317	1,217	438,315	4
21	1,546		77,266	5,199		101,732	3½
22	3,375	5,098	69,472	15,152		107,863	3
23	5,228	33,410	55,977	49,727		168,791	4
24	5,840	19,614	106,880			143,201	4
25	9,079	37,789	79,408	3,055		140,550	3½
26	3,544	31,088	67,578	5,352		147,422	3½
27	12,260	22,417	184,714	1,027		227,691	3½
28	15,502	130,571	315,744	29,000		589,239	3½
29	18,756	91,401	301,525	38,656		589,192	3½
30	9,916	41,167	200,325	43,635		338,354	4
31	7,175	11,100	168,503	71,858		272,481	4
32	7,465	18,658	70,451	19,538	5,123	191,647	3½
\$462,165		\$1,250,410	\$8,771,633	\$3,048,902	\$702,044	\$15,784,772	

BANK CAPITAL OF TOWNS IN CONNECTICUT.

Towns.	No. of Banks.	Capital.	Towns.	No. of Banks.	Capital.
Bridgeport,	2	\$479,700	New Haven,	4	\$1,678,775
Brooklyn,	1	62,700	Norwich,	4	826,441
Danbury,	1	89,500	Norwalk,	1	100,000
East Haddam,	1	66,080	New London,	3	414,325
Hartford,	5	3,732,500	Stamford,	1	60,000
Jewett City,	1	44,000	Stonington,	1	59,650
Meriden,	1	150,000	Thompson,	1	60,000
Middletown,	2	590,200	Tolland,	1	80,200
Mystic,	1	51,700	Windham,	1	59,971
Total in Connecticut,				32	\$8,606,742

SUMMARY OF BANK RETURNS, 1846 AND 1847.

Liabilities.	1846.	1847.
Capital stock,	8,475,630 00	8,605,742 00
Circulation,	4,565,947 06	4,437,631 06
Deposits,	1,813,821 05	1,751,655 26
Due to banks,	362,119 13	245,816 88
Surplus,	427,670 93	473,424 51
Earnings,	169,345 20	231,425 95
Dividends unpaid,	78,151 88	31,266 59
Other liabilities,		7,809 79
	<hr/> \$15,892,685 25	<hr/> \$15,784,772 04
Assets.	1846.	1847.
Real estate,	366,956 44	349,044 89
Specie,	481,367 09	462,165 53
Bills of banks,	276,758 27	227,481 00
Due from banks,	1,036,552 15	1,250,410 91
Due from brokers,	380,341 75	332,542 20
Cash items,		43,139 02
Over drafts,		17,943 51
Expenses,	2,898 67	18,285 62
Stocks,	315,210 10	301,901 93
Loans and discounts,	13,032,600 78	12,781,857 43
	<hr/> \$15,892,685 25	<hr/> \$15,784,772 04

Abstract from the Bank Commissioners' Reports for the last eleven years.

Year.	Capital.	Circulation.	Total liabilities.	Specie.	Loans & disc'ts.
1837,	\$8,744,697 50	\$3,998,325 30	\$15,715,964 59	\$415,386 10	\$13,246,945 08
1838,	8,754,467 50	1,920,552 45	12,302,631 11	535,447 86	9,769,286 80
1839,	8,832,223 00	3,987,815 45	14,942,779 31	502,180 15	12,286,946 97
1840,	8,878,245 00	2,325,589 95	12,950,572 40	499,032 52	10,428,630 87
1841,	8,873,927 50	2,784,721 45	13,866,373 45	454,298 61	10,944,673 35
1842,	8,876,317 57	2,555,638 33	13,465,052 32	471,238 08	10,683,413 37
1843,	8,580,393 50	2,379,947 02	12,914,124 66	438,752 92	9,798,392 27
1844,	8,292,238 00	3,490,963 06	14,472,681 32	455,430 30	10,842,955 35
1845,	8,359,748 00	4,102,444 00	15,243,235 79	453,658 79	12,477,196 06
1846,	8,475,630 00	3,565,947 06	15,892,685 25	481,367 09	13,032,600 78
1847,	8,605,742 00	4,437,631 06	15,784,772 04	462,165 53	12,781,857 43

NEW YORK.

From the Comptroller's Annual Report, 1847.

Statements have been prepared which show the amount and denominations of notes furnished to each incorporated bank, to the first of December, 1846, as provided by the act, chapter 218, of the laws of 1843: And also the denomination and total amount of registered notes mutilated and returned by the banks to the comptroller's office to be destroyed. The results of the tables referred to are as follows:

The actual circulation of notes of the old emission, exclusive of the banks whose charters have expired, on the first day of November last, was \$781,051 00.

		Total registered, and delivered.	Returned.	Amount possessed by the banks.
One dollar	notes	\$1,329,663	\$328,559	\$1,001,104
Two	do.	1,457,302	279,609	1,177,693
Three	do.	1,593,039	274,836	1,318,203
Five	do.	6,811,880	748,840	6,063,040
Ten	do.	4,503,060	571,260	3,931,800
Twenty	do.	1,799,020	389,940	1,409,080
Fifty	do.	2,032,400	652,750	1,379,650
One hundred	do.	3,371,600	1,259,600	2,112,000
Five hundred	do.	1,478,500	577,000	901,500
One thousand	do.	2,643,000	1,022,000	1,621,000
		\$27,019,464	\$6,104,394	\$20,915,079

FREE BANKS.

The whole number of associations and individual bankers that have deposited securities with the comptroller, and received circulating notes therefor, under the act to authorize the business of banking, passed April 18th, 1838, is one hundred and seventeen. Thirteen of the number have been closed by their own stockholders, and their circulating notes redeemed at par, and returned to the banking department, except the sum of \$4,001, for the redemption of which funds are in the hands of the comptroller.

Thirty of the 117 banks before referred to, have been closed by the comptroller. The aggregate circulation of the thirty banks, at the time of failure, was, \$1,239,345

Amount redeemed by the comptroller, 1,213,434—\$25,911

Deduct amount of circulating notes unredeemed, of Washington

Bank, New York, 703

Leaving the outstanding circulation, and for which funds are in deposit to redeem, \$25,208

There are seventy-four associations and individual bankers now in operation, whose circulation on the 31st December, 1846, was \$7,034,898.

The securities of the above banks in the hands of the comptroller consist of

New York State, 4½ per cent stock,	\$ 227,976 56	
Do. 5 "	2,543,140 94	
Do. 5½ "	485,000 00	
Do. 6 "	601,592 00	
Do. 7 "	615,136 00—	\$ 4,472,845 50
United States, 5 "	55,000 00	
Do. 6 "	50,000 00—	105,000 00
Indiana State, 5 "	4,000 00	
Alabama State, 5 "	34,000 00	
Arkansas, 6 "	499,000 00*	
Illinois, 6 "	643,666 67	
Michigan, 697 "	487,033 60—	1,667,700 27
Cash deposited,		38,039 07
Bonds and Mortgages,		1,552,265 40

Circulation \$ 7,034,898 00. Total securities \$ 7,835,850 24

Increase of New York State stocks.....\$ 667,383 41
 " Illinois, " 130,666 67
 " Cash on deposit, 15,602 97—\$ 813,653 05

Decrease of Indiana State stocks.....\$ 154,000 00
 " Michigan, 13,260 00
 " Bonds and mortgages..... 103,323 58—\$ 270,583 58

One association and three individual bankers have commenced business during the year 1846, viz.

Chester Bank, Orange county, (an association.)

Champlain Bank, Ellenburgh, Clinton county.

Cuyler's Bank, Palmyra, Wayne county.

Franklin County Bank, Malone.

And have deposited the following securities, viz.

New York, 5 per cent stock.....	\$ 233,400 00
" 5½ "	9,000 00
" 6 "	23,000 00
" 7 "	3,000 00
Bonds and Mortgages.....	13,600 00—\$ 282,000 00
Circulation on the above, \$	281,990 00.

The Wool Growers' Bank has been closed by its owner, and an amount equal to the outstanding circulation deposited to the credit of the comptroller, in the Mechanics' Banking Association, New York.

The Farmers and Drovers' Bank, Erie county, has been closed by the comptroller, the securities held in trust sold, and the notes are redeemed at par.

The Howard Trust and Banking Company, Troy, has closed business agreeably to the provisions of the 8th and 9th sections of the act to amend the general banking law, passed May 26, 1841, and the sum of \$111 being the balance of money deposited with the comptroller to redeem the outstanding circulation of said bank, has been returned.

The Washington Bank, New York, has been finally closed agreeably to chapter 259, laws of the state of New York, entitled an "act for the relief of John E. Foley," passed May 13, 1845. And the balance of monies remaining in the hands of the comptroller, July 1, 1846, being \$955 60, has been paid to him.

The comptroller holds in trust for insolvent free banks, bonds and mortgages, as follows:

Bank of America.....	\$ 4,275	in course of collection.
Do. Brockport.....	2,500	do. do.
Merchants' Exchange Bank.....	10,000	do. do.
Farmers' Bank, Seneca, Co.....	650	do. do.

The bond and mortgage held in trust for Farmers' Bank, Seneca county, at the date of the last report, for \$3,500, has been paid.

In a report made to the convention, it is shown that twenty-nine banks which have been closed by the comptroller, had deposited securities to the amount of \$1,555,338 00

These produced on sale, 953,371 75

Showing a loss on the securities, of \$601,966 25

The circulation of these banks, at the time of their failure, was \$1,233,374. On these notes the payments were equal to an average of 76 per cent.; the total loss to bill holders, being \$292,344 36, while the banks have lost \$601,966 25, being the difference between the amount of securities deposited, and the sum for which they were sold, the bill holders having lost only \$292,344 36, or a fraction less than 24 per cent.

The Farmers and Drovers' Bank of Erie county, is not embraced in the above statement: but this bank had only about \$6,000 in circulation, secured by New York stock, which redeemed all the notes at par.

PAR REDEMPTION IN NEW YORK.

The legislature is respectfully referred to the annual reports of 1844 and 1846, for some suggestions in regard to the justice and sound policy of requiring the banks to redeem their notes at par in the city of New York. If the banks are required by statute to redeem in any other place than at their counters, the redemption should be at par, and the state should not delegate to corporations and associations, the sovereign power of manufacturing a currency, and then allow those institutions to shave the people out of half of one per cent. on this currency.

Besides the positive wrong done to bill holders by this system of shaving by statute, the evil is spreading by the inducement held out for establishing banks at points remote from the channels of trade, and almost inaccessible, so as to compel holders to get the notes redeemed at the agency, at a discount of half of one per cent. The attempt to check these establishments by requiring at least \$50,000 to be deposited, has had no other effect, than to give a monopoly of the business to the more wealthy portion of these operators. A redemption at par would at once remove all motive for locating banks at inaccessible points, and would give the currency something more of the character assumed for it, that of being equal in value to gold and silver.

LOSS TO THE SAFETY FUND BY FAILURES OF BANKS.

The following statement shows the capital and the sums contributed to the Safety Fund by the eleven banks which have failed; also the sums drawn from the Safety Fund to pay the debts of eight of these banks, viz.

	Capital.	Contribution to Fund.	Drawn from Fund.
City Bank of Buffalo.....	\$ 400,000	\$ 4,333 33	\$ 301,449 50
Bank of Buffalo.....	200,000	6,000 00	584,540 22
Commercial Bank of Buffalo.....	400,000	12,000 00	610,641 87
Commercial Bank of New York.....	500,000	15,000 00	285,937 23
Commercial Bank of Oswego.....	250,000	5,308 21	241,126 63
Clinton County Bank.....	200,000	4,268 00	267,591 42
Watervliet Bank.....	250,000	5,416 66	134,363 00
Wayne County Bank.....	100,000	3,000 00	113,133 00
Bank of Lyons.....	200,000	5,208 22	91,669 08
Lafayette Bank.....	500,000	17,500 00	pays its debts.
Bank of Oswego.....	150,000	8,250 00	do. do.
	<hr/> \$ 3,150,000	<hr/> \$ 86,279.42	<hr/> \$ 2,630,451 95

The nine banks first named in the foregoing list, with an aggregate capital of \$2,550,000, have by the mismanagement and profligacy of their directors and officers, made the Safety Fund responsible to the amount of \$2,569,922 53, beyond the contributions to that fund by the same banks. There is a loss of capital by the failure of eleven banks, of \$3,150,000; add to this the loss of the Safety Fund beyond the contributions, \$2,544,172 53, and it makes a total loss of \$5,694,172 53. Nearly a million and a half of the loss to the Safety Fund was caused by the failure of three banks in Buffalo.

[In order to furnish our readers a fair view of the New York state Banks, we have compiled the following table from the comptroller's quarterly report: thus showing the number of banks, and the specie, capital, registered circulation, and deposits of each, and the aggregate in each town or city. In addition to the circulation set forth, there is an aggregate of \$754,000, *old circulation*, in the hands of the old banks.—EDITOR BANKERS' MAG.]

BANKS OF NEW YORK.

Names and location of the banks of the state of New York, May, 1847, with the specie, capital, registered circulation and deposits of each.

From the Quarterly Report of the Comptroller of the State.

Location.	Names of Banks.	Specie.	Capital.	Circulat'n.	Deposits.
Adams,.....	Hungerford's Bank,.....	\$3,886	\$10,000	\$58,930	\$36,385
Alexander,....	Exchange Bank of Genesee,.	3,420	100,075	49,264	7,107
Albany,	Canal Bank,.....	17,846	300,000	195,733	84,561
	Albany City Bank,.....	44,916	500,000	300,417	253,387
	Bank of Albany,.....	23,573	240,000	109,782	178,276
	Commercial Bank,.....	22,317	300,000	187,100	213,958
	Albany Exchange Bank,....	7,149	311,100	79,655	150,516
	Mechanics & Farmers' B'k,	40,570	442,000	270,410	259,740
	New York State Bank,....	19,446	369,600	167,236	235,564
Albion,.....	Bank of Albion,.....	5,133	73,345	63,046	40,639
	Bank of Orleans,.....	10,297	200,000	186,596	42,780
Auburn,	Bank of Auburn,.....	11,278	200,000	178,639	76,583
	Cayuga County Bank,.....	9,077	250,000	219,156	115,250
Amsterdam,...	Farmers' Bank,.....	2,037	100,000	56,976	59,847
Ballston,.....	Ballston Spa Bank,.....	4,868	125,000	87,910	94,883
Batavia,.....	Bank of Genesee,.....	10,486	100,000	141,715	37,826
	Farmers & Mechanics' Bank,	2,682	40,456	36,363	25,090
Bath,.....	Steuben County Bank,.....	6,584	150,000	162,910	53,293
Binghampton..	Broome County Bank,.....	9,894	100,000	138,285	25,324
Buffalo,.....	Bank of Attica,.....	7,271	50,000	49,780	79,034
	Exchange Bank,.....	7,307	14,000	14,000	6,781
	Merchants' Bank,.....	1,694	5,000	25,000	8,644
	Oliver Lee & Co's Bank,....	18,560	130,000	127,786	152,970
	Patchin Bank,.....	12,766	100,000	69,110	110,567
	White's Bank,.....	5,480	40,000	26,920	100,613
Brooklyn,.....	Atlantic Bank,.....	40,240	500,000	251,766	339,944
	Brooklyn Bank,.....	11,932	100,000	38,737	69,327
	Long Island Bank,.....	34,353	300,000	163,950	426,061
Canandaigua,.	Bank of Utica, (branch),...	5,946	150,000	154,693	8,406
	Merchants' Bank,.....		7,900	60,380	
	Ontario Bank,.....	4,384	200,000	181,710	30,206
Catskill,	Catskill Bank,	7,320	150,000	120,856	28,164
	Tanners' Bank,.....	5,177	100,000	140,000	69,860
Cazenovia,....	Madison County Bank,....	5,430	100,000	142,482	21,224
Carmel,.....	Merchants & Farmers' Bank,	3,062	100,600	99,200	3,390
Cherry Valley,.	Central Bank,.....	5,280	120,000	143,770	24,400
Chester,	Chester Bank,.....	411	100,400	97,160	24,491
Clinton,.....	Kirkland Bank,.....	1,831	50,000	49,190	14,184
Cooperstown,.	Otsego County Bank,.....	5,426	100,000	137,790	34,897
Corning,	Bank of Corning,.....	2,019	104,500	62,135	19,309
Dansville,	Bank of Dansville,.....	9,288	150,250	90,103	19,700
Delhi,.....	Delaware Bank.....	2,141	106,100	92,795	26,410
Durham,	New York Stock Bank,....	1,827	10,000	106,710	1,030
Ellenburg,....	Champlain Bank,.....	2,850	5,000	85,000	
Elmira,	Chemung Canal Bank,.....	6,142	200,000	196,823	47,175

Bank Statistics.

49

Location.	Names of Banks.	Specie.	Capital.	Circulat'n.	Deposits.
Ellery,.....	Merchants' Bank of C. Co.,...	\$1,600	\$10,000	\$137,000	
Fort Plain,....	Fort Plain Bank,.....	2,610	100,000	80,670	\$19,500
Geneva,.....	Bank of Geneva,.....	20,127	400,000	282,192	99,606
Genessee,.....	Livingston County Bank,...	5,473	100,000	137,550	28,370
Goshen,.....	Bank of Orange County,....	6,529	105,660	115,397	48,077
Herkimer,.....	Agricultural Bank,.....	1,683	100,800	60,477	48,519
Hudson,.....	Farmers' Bank,.....	5,452	136,050	95,018	87,690
	Hudson River Bank,.....	5,561	150,000	157,115	86,761
Ithaca,.....	Bank of Ithaca,.....	5,786	200,000	193,522	49,920
	Merchants and Farmers',...		50,000	33,600	24,661
	Tompkins County Bank,....	5,640	250,000	215,994	70,115
Johnsburg,....	Warren County Bank,.....	291	169,540	169,531	
Jamestown,...	Chautauque County Bank,...	7,571	100,000	139,110	20,500
Johnstown,....	Montgomery County Bank,.	6,358	100,000	142,180	22,554
Jamesville,....	James Bank,.....		74,265	68,506	
Kingston,....	Kingston Bank,.....	8,906	200,000	197,609	54,155
	Ulster County Bank,.....	6,082	100,000	138,636	47,063
Kinderhook,...	Bank of Kinderhook,.....	3,336	125,000	71,537	60,994
Keeseville,....	Essex County Bank,.....	5,748	100,000	139,490	32,343
Lansingburg,...	Bank of Lansingburg,.....	7,342	120,000	148,943	49,864
Leedsville,....	Amenia Bank,.....	1,725	10,000	84,379	2,393
Le Roy,.....	Genesee County Bank,....	3,535	100,000	47,205	15,932
Lockport,....	Exchange Bank,.....	2,222	40,000	60,340	54,480
	Lockport Bank. & Trust Co.,	2,778	300,000	75,384	12,522
Lowville,.....	Bank of Lowville,.....	2,630	102,450	64,780	22,847
Little Falls,...	Herkimer County Bank,....	7,535	200,000	193,584	24,375
Madrid,.....	Northern Bank,.....	8,925	10,000	127,000	
Malone,.....	Franklin County Bank,....	1,200	80,000	78,490	
Martinsburg,...	Lewis County Bank,.....	5,450	100,000	108,410	3,643
Middletown,...	Middletown Bank,.....	2,256	90,600	74,778	26,080
Mohawk,.....	Mohawk Valley Bank,....	4,027	100,500	129,058	22,233
Newburg,.....	Bank of Newburg,.....	12,295	140,000	113,375	84,638
	Highland Bank,.....	12,467	200,000	196,474	111,360
	Powell Bank,.....	5,995	97,500	106,478	83,453
New Rochelle,...	Bank of New Rochelle,....	2,188	5,000	44,365	1,122
Norwich,.....	Bank of Chenango,.....	8,472	120,000	146,248	29,703
Ogdensburg,...	Farmers & Mechanics' B'k,	2,471	278,000	278,000	5,663
	Ogdensburg Bank,.....	7,230	100,000	130,935	32,023
Olean,.....	Drovers' Bank,.....	2,913	5,000	100,000	7,914
Owego,.....	Bank of Owego,.....	12,065	200,000	186,883	29,245
Oswego,.....	Luther Wright's Bank,....	7,260	100,000	118,945	66,270
Palmyra,.....	Cuyler's Bank,.....	162	10,000	59,080	16,790
	Palmyra Bank,.....		8,000	19,400	348
Peekskill,....	Westchester County Bank,.	10,495	200,000	165,912	54,294
Pen Yan,.....	Yates County Bank,.....	9,225	100,000	111,770	4,705
Pine Plains,...	Pine Plains Bank,.....	4,171	100,000	81,950	22,874
Poughkeepsie,...	Bank of Poughkeepsie,....	17,707	100,000	142,127	101,083
	Farmers & Manufact'rs' B'k,	21,143	300,000	242,310	197,750
	Merchants' Bank,.....	4,595	150,000	116,361	100,387
Prattsville,....	Prattsville Bank,.....	2,764	100,000	94,844	16,877

Location.	Names of Banks.	Specie.	Capital.	Circulat'n.	Deposits.
Rochester,....	Bank of Monroe,.....	7,311	300,000	238,920	44,027
	Commercial Bank,.....	5,589	329,000	199,555	108,843
	Rochester City Bank,.....	13,575	400,000	298,352	140,235
	Farmers & Mechanics' B'k,	1,020	30,000	62,900	854
Rome,.....	Bank of Rome,.....	4,140	100,000	142,280	50,279
Sag Harbor,..	Suffolk County Bank,.....	2,545	10,000	92,240	15,170
Salina,.....	Bank of Salina,.....	9,872	150,000	165,930	9,657
Sackett's Harb.	Sackett's Harbor Bank,....	9,607	200,000	193,300	22,811
Schenectady,..	Mohawk Bank,.....	11,641	165,000	93,543	105,360
	Schenectady Bank,.....	9,567	150,000	146,184	102,146
Silver Creek,..	Bank of Silver Creek,.....	7,135	92,850	79,515	23,929
Somers,.....	Farmers & Drovers' Bank,..	5,538	111,150	42,577	19,268
Syracuse,.....	Bank of Syracuse,.....	6,922	175,750	161,576	1,347
	Onondaga County Bank,....	9,037	150,000	158,308	114,372
Troy,.....	Bank of Troy,.....	14,944	440,000	235,120	102,408
	Commercial Bank,.....	4,007	157,500	96,738	77,054
	Troy City Bank,.....	15,676	300,000	231,722	134,080
	Farmers' Bank,.....	14,028	278,000	188,266	178,129
Utica,.....	Merch'ts & Mechanics' B'k,	10,628	300,000	235,334	155,522
	Bank of Central New York,..	3,723	110,200	76,860	69,913
	Bank of Utica,.....	20,617	450,000	281,471	84,941
	Oneida Bank,.....	14,030	400,000	283,190	269,253
Unadilla,.....	Ontario Branch Bank,.....	3,968	300,000	236,357	48,578
	Unadilla Bank,.....	600	65,000	65,000	2,497
Union Village,.	Washington County Bank,..	2,226	102,000	54,308	54,555
Vernon,.....	Bank of Vernon,.....	3,932	76,100	64,864	24,120
Watertown,..	Bank of Watertown,.....	1,984	100,000	48,214	9,530
	Black River Bank,.....	3,231	50,000	68,763	87,740
	Jefferson County Bank,....	15,310	200,000	187,934	50,688
	Wooster Sherman's Bank,..	2,535	20,000	37,610	15,110
Waterford,....	Saratoga County Bank,....	8,228	100,000	131,260	71,980
Waterloo,....	Seneca County Bank,.....	11,460	200,000	182,740	46,080
Waterville,....	Bank of Waterville,.....	3,640	100,000	92,718	18,506
Whitehall,....	Bank of Whitehall,.....	10,200	100,000	129,950	41,564
Whiteplains, ..	Whiteplains Bank,.....	1,000	28,137	24,137	
Whitestown,..	Bank of Whitestown,.....	1,517	100,000	70,031	52,819

Banks of the City of New York, May 1, 1847.

Name of Bank.	Specie.	Capital.	Circulation.	Deposits.	Total Liabilities.
Bank of Commerce,...	894,200	3,448,200	227,600	2,406,300	7,355,300
Manhattan Company,..	296,100	2,050,000		1,272,800	3,935,000
Bank of State N. York,	1,066,600	2,000,000	296,200	2,373,200	6,142,700
Merchants' Bank,....	1,452,200	1,490,000	253,900	2,887,700	6,641,000
Mechanics' Bank,....	762,100	1,440,000	440,300	1,729,400	4,864,500
Phenix Bank,.....	705,000	1,200,000	436,400	1,348,100	4,210,400
Amer. Exchange Bank,	629,700	1,155,400	257,500	1,717,000	4,865,800
Bank of America,....	978,800	2,001,200	259,500	2,198,300	6,478,000
Bank of New York,...	728,800	1,000,000	384,700	2,012,400	3,910,500
Union Bank,.....	724,600	1,000,000	470,000	1,399,100	4,064,700
National Bank,.....	297,800	750,000	209,100	749,700	1,932,000

Name of Bank.	Specie.	Capital.	Circulation.	Deposits.	Liabilities.
Merchants' Ex. Bank,.	118,700	750,000	318,400	677,600	2,590,400
City Bank,.....	213,300	720,000	168,700	928,500	2,155,400
North River Bank,....	187,900	655,000	395,300	858,000	2,303,400
Mechanics' Bk'g Ass'n,	190,300	632,000	341,400	563,100	1,638,300
Fulton Bank,.....	205,000	600,000	229,200	940,700	2,254,900
Leather Manuf. Bank,.	230,700	600,000	241,400	766,100	1,871,400
Seventh Ward Bank,..	119,500	500,000	273,300	593,700	1,433,400
Butch. & Drovers' Bank	145,800	500,000	294,800	633,000	1,713,100
Tradesmen's Bank,...	116,800	400,000	247,500	560,500	1,329,400
Chemical Bank,.....	93,700	300,000	254,600	692,900	1,481,300
Greenwich Bank,.....	39,200	200,000	117,400	198,400	560,000
Mech. & Traders' B'k,	74,800	200,000	137,500	331,100	783,000
N. Y. Dry Dock Co.,..	13,600	200,000	61,600	30,100	587,800

RECAPITULATION, (FRACTIONS OMITTED,) MAY 1, 1847.

132 Country Banks,...	\$1,027,000	\$19,384,378	\$16,739,000	\$7,932,000	\$54,865,000
24 N. Y. City Banks,	10,285,000	23,791,820	6,316,000	27,868,000	75,091,000

Total N. Y. State, \$11,312,000 \$43,176,198 \$23,055,000 \$35,800,000 \$129,956,000

In addition to the above registered circulation of \$23,055,000, the banks have \$754,000, old circulation, on hand. See page 680, vol. 1.

BANKS OF MAINE.

Capital, circulation, loans, and dates of original charters of the banks of Maine, with the location of each bank and the rate of the last semi-annual dividend. Compiled from the "Abstract of the Returns of the Cashiers of the several Incorporated Banks in Maine, as they existed on the 26th April, 1847: prepared in conformity to the provisions of the Revised Statutes, chapter 77, section 59, and an Act of the Legislature approved April 7, 1845. By Ezra B. French, Secretary of State."

Towns.	Names of Banks.	Capital.	Circulat'n.	Loans.	Div'd.
1814, Augusta,	*Augusta Bank,	\$110,000	\$87,300	\$233,000	2
1833, " "	Freeman's Bank,	50,000	63,500	97,800	3
1836, " "	Granite Bank,	75,000	75,200	145,300	4
1834, Bangor,	*Bank of Bangor,†	100,000	147,400	243,100	3
1835, " "	*Eastern Bank,	100,000	127,000	228,000	3
1832, " "	*Kenduskeag Bank,†	100,000	82,300	210,100	3
1833, " "	*Mercantile Bank,	50,000	50,300	90,600	8
1836, Belfast,	Belfast Bank,	50,000	61,600	99,000	5
1832, Bath,	Commercial Bank,	50,000	52,000	76,100	4
1813, " "	Lincoln Bank,†	100,000	50,400	152,300	5
1836, " "	Sagadahock Bank,	50,000	44,000	92,000	4
1836, Brunswick,	Brunswick Bank,	75,000	56,000	101,500	3
1833, Bloomfield,	Skowhegan Bank,	75,000	64,900	121,500	3
1831, Calais,	Calais Bank,	50,000	30,800	80,700	3
1836, Camden,	Megunticook Bank,†	49,000	41,900	72,600	3
1836, Eastport,	*Frontier Bank,	75,000	25,000	107,700	3
1836, East Thomaston,	*Lime Rock Bank,	50,000	40,600	98,900	3½
1825, Thomaston,	Thomaston Bank,	50,000	48,800	107,100	3½

Towns.	Names of Banks.	Capital.	Circulat'n.	Loans.	Div'd.
1832, Gardiner,	*Franklin Bank,†	50,000	16,300	80,700	3
1814, "	Gardiner Bank,	100,000	67,200	170,100	4
1825, Hallowell,	*Central Bank,†	50,000	103,500	160,200	3 2-5
1833, "	Northern Bank,	75,000	52,200	145,800	3½
1835, Portland,	*Bank of Cumberland,	100,000	83,500	176,500	3½
1825, "	Canal Bank,	400,000	242,000	712,200	3
1824, "	Casco Bank,	300,000	162,282	528,000	3
1832, "	*Manuf. & Traders' Bank,	75,000	52,800	145,700	4
1825, "	*Merchants' Bank,	150,000	126,800	286,400	4
1825, Saco,	Manufacturers' Bank,	100,000	74,500	186,700	4
1831, "	York Bank,	75,000	56,800	131,700	4
1823, South Berwick,	*South Berwick Bank,†	50,000	44,700	97,000	4
1834, Topsham,	*Androscoggin Bank,	50,000	51,000	82,200	4
1836, Waldoborough,	Medomak Bank,	50,000	58,400	92,600	3½
1831, Waterville,	Ticonic Bank,	75,000	56,100	117,800	3
1836, Westbrook,	*Bank of Westbrook,†	50,000	59,100	88,700	3
1835, Wiscasset,	Mariners' Bank,	50,000	40,700	76,600	3
Totals, (fractions omitted.)		\$3,059,000	\$2,536,800	\$5,636,200	

An act was passed by the last legislature, extending the charters of all the banks incorporated within the state to October 1st, 1857. Written notice of acceptance to be given to the secretary of state on or before May 1st, 1847. Those banks marked [†] had not accepted when the secretary's report was published.

RECAPITULATION

Of Liabilities and Resources of the thirty-five Banks of Maine.

Capital stock paid in,.....	\$3,059,000	Gold, silver, &c. in banks,....	259,995
Bills in circulation,.....	2,536,828	Real estate,.....	170,432
Net profits on hand,.....	149,403	Bills of banks in this state,...	86,130
Balances due other banks,...	46,002	Bills of banks elsewhere,....	92,687
Deposits, &c.,.....	1,149,505	Due from other banks,.....	809,352
Deposits bearing interest,...	114,122	Loans,.....	5,636,264
Total liabilities,	\$7,054,860	Total resources,	\$7,054,860

☞ Those banks marked with [*] are subscribers to the Bankers' Magazine.

LEGAL MISCELLANY.

CASHIERS' BONDS.

Union Bank of Charleston v. Henry Sollee, late cashier. Before the Court of General Sessions and Common Pleas, at Charleston, S. C., May, 1847.

In 1837 Mr. Sollee was elected cashier of the bank, succeeding Mr. Wilkie, who died in August of that year. On taking possession of his office Mr. Sollee received certain amounts of specie in kegs and boxes, and bills in packages, and gave his receipt for the amount, not counting the bills, but taking them for the value endorsed upon them. In 1845, the packages of bills were opened and counted, and some of them proved to have been tampered with, money having been abstracted to the amount of \$20,400, and slips of paper substituted for the abstracted bills, so as to retain the size of the packages. Mr. Sollee being cashier at that time, the board instituted an action for the recovery of

the money, and also for the amount of an over draft, with interest, drawn by Mr. Sollee as a depositor.

Mr. Sollee's defence was, that he knew nothing of the abstraction, had never opened the packages at any time, and that the packages must have come into his possession in that state; and, therefore, that the receipt he gave being on the representation of the committee who placed the packages in his hands, he was not bound for any amount that could not be proved to have been in them at the time of the transfer.

MONDAY, MAY 24TH, 1847.

J. W. Hayne, Esq., opened the case for the plaintiffs. He stated that the defendant, in the year 1837, on the death of Wm. B. Wilkie, the late cashier, had been elected cashier of the Union Bank, and given bond, with sureties, for the faithful discharge of his duty. That, on his election and repeatedly since, he had acknowledged by a receipt, and by written statements, in the books of the bank and otherwise, the deposits of certain amounts of funds, in specie and bank bills, in his hands as cashier; and that, in 1845, just after the death of Mr. Rene Godard, late president of the institution, he made a similar acknowledgment or statement in the books of the bank, and the very next day a deficiency of about \$20,400 was discovered, which was followed by his resignation, and the commencement of this suit. Besides this, he had repeatedly overdrawn his account, at one time exceeding \$4,600, although greatly reduced, just before the discovery of the abstraction of the bills. The case was a plain one, and the bank indisputably entitled to a verdict. A defence would no doubt be attempted and an appeal would be made to their feelings to bias their judgment. On one side was a bank, a corporation, as it was said, without soul or body; on the other, but a single man, and one he was glad to say, who had up to this charge borne a high and unimpeachable character. The result of this case might reduce him and his family from competence to poverty; but still the jury were to do their duty, irrespective of consequences, to justice, to their consciences and to their country. It would be said that the case involved the character of the defendant—that it charged him with an act of fraud, deceit, embezzlement. But, if any such charges were involved in the case, it would arise out of the evidence, and not out of the verdict, and would exist independently of it, let it be what it may. Whether there was embezzlement or not, the defendant was liable for the money. He acknowledged a certain amount in his hands, only the day before the discovery, and also monthly for a period of about eight years previous, and by a receipt under his own sign manual on taking possession of his office. Nothing but a reliance on the feelings of the jury, against their judgment, could inspire the hope of a successful defence in such a case. If a mistake be relied on, it should be clearly and incontestably proved—doubts on the subject, or conjecture, should not suffice. Either the defendant received the money, or by his repeated monthly admissions, for a period of eight years, he had lulled the bank into a false security and a fatal delay, rendering recovery against any other person impossible, and the defendant, on either hypothesis, should bear the responsibility and pay the loss accordingly.

Mr. Aaron C. Smith, the present cashier of the bank, was then examined for plaintiffs, and proved the case *prima facie* against the defendant.

Official bond of defendant as cashier of the Union Bank, in the penal sum of \$30,000, and of his sureties, Wm. A. Carson and Higham, Fife & Co., each in the sum of \$15,000, conditioned for the faithful discharge of defendant's duty as cashier of the bank, dated September 26th, 1837.

A. C. Smith, sworn.—He was a clerk in the Union Bank—and is now

cashier. Produced the bank book, showing the last statement of Mr. Sollee, setting forth

Union Bank bills	\$342,500
Specie	81,776—\$427,276

This was made 21st July, 1845. Once a year, usually, the cashier's cash is counted, and this statement was made for the committee of directors to count.

Before he was cross-examined, Henry Bailey, Esq., opened the defence. He said this was a case, in which the defendant had been involved in difficulty and suspicion, by the carelessness of others and his reliance on his own good character. That, in 1837 he had been elected cashier of the bank, (as he had been before made teller,) at the instance, and through the influence of Mr. Rene Godard, the late worthy and venerable president of the institution, who held him in high estimation and regard. That, on the transfer of the money to the custody of the new cashier, the late Col. C. J. Steedman, agent of the sureties of Mr. Wilkie, Mr. Godard, the president of the bank, and a committee of directors, were present. That the money was partly in specie, contained in bags, and partly in packages of bank bills, sealed up and labelled with the amounts they enclosed, and having the superscriptions of the president and late cashier. That the counting was likely to be onerous and consume much time, and, at the suggestion of Mr. Godard, a man remarkable for his precision, exactness and accuracy, the seals of the packages remained unbroken, and they were received by the defendant as enclosing what they purported by their labels to contain. That the seals continued unbroken and untampered with, until in 1845, eight years afterwards, it became necessary, or was deemed expedient to make a new count, and then, to the surprise of all, it appeared that, from three of the packages, bills (being those of the Union Bank) had been abstracted, to the amount exceeding \$24,000, and paper substituted in their place, so as to give them the proper size and appearance. That it was perhaps imprudent, but it certainly was excusable in the defendant to have received the packages without counting the money, and to have receipted for them, as containing the sums they were labelled to contain. But it was the carelessness, the gross carelessness of the directors to have suffered the money of the bank to be thus dealt with—it was their duty to have seen it counted—the defendant was acting for himself, and it might have been indelicate in him to have objected—the directors were trustees for others, and were bound to have required a count—they had no right to cast such a responsibility on defendant, nor thus to jeopard the interests of their *cestuis que trustent*. As for the alleged overdrafts, they were common to every one, and defendant rectified them as soon as made known to him. The evidence against defendant was only *prima facie*—the circumstances rebutted it—and his industrious and useful life, his upright and honorable character should prove to him a panoply of defence. For the loss sustained, the directors were responsible, and not the defendant, and the jury should say so by their verdict.

Tuesday, May 25, 1847. The court met at 10 o'clock, A. M., Judge J. B. O'Neill presiding.

A. C. Smith (in continuation.)—The cashier makes a weekly statement to the board of directors, and if Mr. Sollee receipted erroneously from Mr. Wilkie, he must have returned the error every week for seven years. Has the report of money turned over by Wilkie's sureties, to Sollee. He read it, showing that Col. Steedman attended the count, on the part of W's sureties, and that Sollee admitted the receipt of the money. In this proceeding the former cashier and his sureties were interested.

Cross examined.—This report is the basis of Sollee's account—the money

in bank is examined once a year—committees were in the habit of taking packages for what they purported to contain—would say that the packages were not opened at the time Sollee took them. Heard nothing of any deficiency, on his part, as teller. Teller and cashier have separate vaults, each having his own key. The outer keys were in the possession of the cashier, except when Wilkie was sick. In Mr. Wilkie's time, he got permission, when sick, to give the keys to Mr. Stephens. When the count was made in 1845, Sollee exhibited no unusual agitation—kept good accounts—had regular habits—was not an extravagant or high liver—was thrifty and economical. The president was charged with contracting the operations of the bank. The bank keeps a record of its circulation and capital. The circulation was reduced to \$2,796, in August, 1842. The circulation, in September, 1837, was about \$70,000. It fluctuated between 1837 and 1842. The bank once sent out a package of bills to Augusta—in two weeks they came back. The bank has never been called on to redeem more bills than are shown by the books to have been lawfully in circulation. The president kept a memorandum book of issues and bills returned.

In reply.—The statement from the books assumes that the \$20,400 was in bank. The deficit of the \$20,400 must have been before 1842. It was supposed that some 15 or \$20,000 had been burnt up, or lost—in 30 years \$30,000 might have been lost or destroyed; and he inferred that there must be some error when the circulation was but \$2,796. There is nothing to show that the bills were issued before 1837. In 1842, we heard that Mr. Boyce, then president of the Bank of Charleston, had more bills of the Union Bank than the statement called for. We sent Sollee to take them up, and he returned, saying that Boyce had none of our bills. In May, 1837, the circulation was \$141,000, reduced in 1838 to \$34,000. But in 1840 it was \$77,000—in 1842, \$2,796. In 1838, Sollee bought Edmondston's wharf for \$120,000. The packages of money are all under the care of the cashier—he can open them and do as he pleases with the seals. Sollee paid out in packages to the tellers about 20 or 21 packages. The amount of money handed over by Wilkie's sureties to Sollee, if in packages, would have probably been some ten.

John Bryan, sworn.—Was employed by the Union Bank to make a statement, from the books of the bank, as to Sollee's overdrafts, from 1843 to 1845. July 1, 1845, the overdraft was \$4,664 95—as shown by a statement he produced from the books.

Cross-examined.—Was employed to examine the books of J. J. Alexander, book keeper—he was inaccurate—but there was no error in Sollee's account, except one check of \$5—no error in footing, &c.

A. Tobias, sworn.—Was acting president July 21, 1845. On the Wednesday preceding, he appointed a committee to examine the vault. The cashier's statement was before them—first examined the gold—then the silver—then the bank notes in iron chest. Found the packages rather loosely thrown together. Mr. Hedley proposed to count all—but they determined only to count such as looked not well sealed, or badly put up—they selected about five packages. The first opened was dated July 19, 1837; it was labelled \$10,000, but found to contain only \$4,000—the envelope was signed W. B. Wilkie, R. Godard; and the vacuum was filled up with blank white paper. The second was marked \$10,000, but only contained blank white paper, so folded as to preserve the original form and appearance—envelope signed C. Burckmyer, J. Leland, R. Godard, W. B. Wilkie, cashier, and was dated 29th April, 1835. The third, dated May 3, 1837, was labelled \$10,000, but contained only \$5,600—the envelope was signed Abraham Tobias, president *pro tem.*, Alex. Brown, A. Otulengui, J. L. Hedley, S.

Mowry, Jr. The deficiency in the whole was \$20,400. Asked Sollee about it. He said he could not account for it. Read the report which set forth all the particulars, together with sundry letters and minutes. The cashier has the key of the inner vault and the iron chest. When the board passed the resolution suspending Mr. Sollee, he appeared very much distressed and asked witness for advice. Witness told him he had better see Mr. Carson, his surety—he said he could not name it to him—witness then advised him to consult Mr. Bailey as a friend, as he was the son-in-law of and had been intimate with Mr. Godard. When the board determined to adjourn until ensuing Wednesday, Mr. Sollee asked witness, if the board would give him time to realize some property, witness answered, all the bank wanted was to be secured, and they would give him time—but that he should make a proposition in writing. It is part of the cashier's duty to see that the books of the book-keeper were properly kept. The committee said they would examine those packages that were suspicious, but Mr. Winthrop and the committee can tell this better.

From the report and letters above referred to, we condense the following statement:

On the 23d July, 1845, the board of directors passed resolutions informing the cashier of the deficiency, and that if the same was not made up forthwith, it would be necessary for the bank to proceed against him and his sureties; and that, in case the said deficiency was not immediately made up, it would be proper and imperative to suspend the cashier and put a committee in charge of his department. To this letter defendant replied, on the same day, expressing his astonishment at the resolutions, under all the circumstances of the case, and his desire, in the hope of protecting his character, that the matter should be compounded; and offering, in atonement of his error, as far as lay in his power, to give a bond for \$5,000, payable, without interest, in five years from date. The board, by letter of the same date, declined the compromise. Defendant, by letter, the next day, in reply to the resolutions, asseverated his innocence of the fraud, and his utter ignorance of the fact, until the discovery by the board; admitting a want of due caution in receiving the transfer of funds, without opening the packages and counting the money, and an unwise confidence in the regularity of others; and that he had been at first willing to compound for a share of the penalty of carelessness, with a committee equally guilty with himself; but withdrawing the offer of compromise as made in haste, and without due reflection on its tendency to prevent investigation into the origin and author of the fraud. He therefore rejoiced at its rejection. He remarked on their harsh and hasty assumption of guilt in himself, and demand of a settlement, without time or an effort to discover the real perpetrator of the fraud, which, it was clear, must have been committed before he had charge of the funds; declared his longer connection with the institution impossible; resigned his office; asked the careful preservation of all papers necessary to the elucidation of the case, and demanded a speedy, rigorous and searching investigation in a court of justice. In a previous letter to the board, of the 23d July, he congratulated himself that he was a man in humble circumstances, which repelled suspicion, as he had nothing to show for the money; urged that it was impossible that \$20,400 could have been clandestinely abstracted from the bank, and in its own bills, at a period of extremely reduced circulation, without detection from the quick return of those bills on it for redemption; stated that he had taken the packages as containing what they were certified to contain, when the transfer of funds was made to him, and no one hinted at the necessity of counting them, nor on many occasions thereafter; and that he had repeatedly, and especially in 1842, on the circulation being re-

duced to \$2,796, proposed to Mr. Godard, the late president, to have a count, but he had answered, there was no doubt all was right, and it was not done. He asserted broadly that there was no field for the operation with which he was charged; and he could not but regard with emotions of the strongest gratitude, the interposition of the unerring hand of Providence in his favor. He asked what could he have done with the money—he had nothing to show for it—he had never been given to any species of extravagance or vicious habits—had always lived within his means—and defied the community to produce a more moral man. He had never sought to make a fortune at a dash—but rather by a regular course of industry and labor. It had been his good fortune, thus far, to obtain, in an honest way, such means as he had from time to time acquired.

Cross-examined.—First heard of Sollee's overdrafts between July and October, 1845. The cashier cannot tell whether there is an overdraft, but by a footing up of the book-keeper's account. The cashier makes weekly reports from the teller's reports. If they do not detect an overdraft, he cannot. The book-keeper's books were notoriously in fault—all the directors knew it. The packages lay promiscuously in the iron chest. It was the desire of the board that the new bills should be issued—they were in the iron chest open—thought the money very carelessly kept—the packages did not seem carefully sealed—did not suspect any thing wrong, but thought the packages clumsily put up. Sollee exhibited no alarm or agitation at the count—from the 16th to the 21st he had information of the count. Had a very high opinion of Sollee—he was industrious, economical and moral—not speculative—knew of his having to do double duty when Stephens went to Ireland—knew of Sollee's purchase of Edmondston's wharf—he and Carson bought it—he also bought a house from witness for \$8,000, and gave his note for the cash part and bonds for the rest—this was probably in 1836 or 1837—also had a farm when he was clerk in the bank—kept it to make money from.

In reply.—Mr. Wilkie was an excellent and very honest, and correct man. The package of July 19, 1837, was deficient \$6,000, that of May had in it \$5,600, and was deficient \$4,400. Wilkie left the bank 2d August, 1837, for the last time—his health was very infirm between 19th July and 2d August, sinking very fast—while he was sick or absent Mr. Sollee acted for him—he died soon after, and Sollee was elected in his place. Never heard of Wilkie being engaged in any speculation—knew of no large indebtedness on his part—he did not deal in large sums of money at any time—died quite poor—his widow keeps a boarding house—he was not addicted to gambling—had a good character.

Answer to question by Mr. Bailey.—Wilkie once asked the board to raise his salary.

J. J. Alexander, sworn.—The books were kept by him from 1843 to 1846. When he came to the bank in 1839, the books had not been balanced, and this state of things continued until 1845, when Mr. Tobias came in and said witness must make a balance or lose his office—thought Sollee was keeping his own account—did not know Sollee had overdrawn until August, 1845, after Sollee had resigned and left the bank—witness' son was employed by witness to foot the account—he told witness Sollee's account was overdrawn, and witness at once sent for Sollee and told him how it was—he was thunderstruck. Witness demanded some security, and Sollee gave him a bond of indemnity. He made exertions, and afterwards aid part of it. It was not made known to the board, until after the election of Mr. H. Ravenel, as president of the bank. There were no such large overdrafts by any one else. Only instance witness knew of overdraft continued so long. Sollee once

asked witness for a bank book, in July, 1840, and witness gave him one, with his balance. Every man keeps his own bank account in his bank book. Men of business usually have their books balanced regularly.

Cross-examined.—The overdraft was notified to Sollee in August, 1845—he paid the overdraft, in greatest part, by October. The book-keeper ought to notify a person that overdraws.

In reply.—The teller never called on witness to know if Sollee had overdrawn—Sollee could tell in half an hour how his account stood.

Smith Mowry, Jr.—Was a director in 1845—five packages looked different from the others—two were deficient in contents—and so was one of those left among the other packages. In '42 or '43, he said to Sollee, if you as cashier are satisfied, without counting, so was witness—Wilkie was an honest man—had no large money dealings, and his family was poor. On the 3d May, he counted the packages. Money is not sealed up until it is to go to the cashier. The tellers' money is not generally sealed up. Never opened and counted all the money in the vaults. No suspicion was expressed at the different appearance of the packages.

Mr. Hedley.—He was a director in 1845—five packages were taken out—in the 2d and 3d the seals were defective—one of them was Mr. Godard's private seal—it had been acted on—found brown paper in the package—one of the packages had fallen in sealing and gravel had stuck to it. The chest might have been open some time. Mr. W. was very fond of good living—injured himself by indulgence. Mr. Sollee, after the first fraudulent package was discovered, asked for a thorough examination. The gold was sealed with a common wafer.

Jos. A. Winthrop, sworn.—Was the first one that induced the committee to examine and count the money. In 1843 was on the vault committee. Mr. Godard said it was no use to count—his signature and seal were there; and Mr. Mowry said to Mr. Sollee, that if he was satisfied that the money was there, he would dispense with it (the count)—Sollee said that he was satisfied. In 1845, witness was not content to let the matter pass so, and it was agreed to take a portion of the packages and examine, and if right would pass them—found the parcels very much tossed and tumbled about—selected such as seemed either badly sealed or opened—about five—and opened one, and then others, and the result was as stated by Mr. Tobias—three out of four or five seemed to be re-sealed—produced the envelopes—they were not mutilated.

Cross-examined.—Sollee bore a high character—Wilkie had leave of absence to go to the Virginia springs, and his salary was advanced—received the impression that he was fond of eating and drinking—thought he most generally went home under the effects of indulgence. He was an honest and an honorable man. Sollee had not access to the chest where the money was, during the time he acted for Wilkie, as Wilkie had the key of the chest.

In reply.—Mr. W. was very sensibly impressed with the conviction that he could not live—he was remarkably accurate in his accounts.

C. Burckmyer, sworn.—Was present and counted the money in May, 1837—must have got the money from the teller. It was an actual count, and so was that of April, 1835, at which he was also present.

Mrs. Cornelia Walker, sworn.—Is the daughter of Mr. Wilkie—from 3d May, 1837, he was very feeble—took very little interest in things—he was plain and frugal in living—he allowed \$15 per week for house-keeping of his family—owed debts which have not been paid—never was addicted to cards or the like—at his death, he owned one negro and had no money. The key of the bank chest was usually placed in an iron chest under the bed, and the key of that was placed under his or his wife's head.

The evidence for the plaintiff here closed.

DEFENCE.—The will of Gilbert Neville, bequeathing to Mrs. Sollee a portion of testator's residuary estate. The residuary estate, in England, was £22,000.

Accounts of the estate, showing how the estate was finally divided, and that \$23,000 was Mrs. Sollee's share—last account, dated 26th Feb., 1841.

Hon. Wm. Rice, sworn.—Knows Sollee well—has known him for ten years—he bore an excellent character.

The evidence given this day was as follows:

Abraham Moise, sworn.—Has a bond of Sollee's with a mortgage of house purchased for \$8,000—\$3,500 now due.

C. M. Furman, sworn.—Purchased from executors of Neyle, £25,000 exchange, which was placed to the credit of Neyle, Conner and Sollee—also, £2,500, placed to credit of Sollee.

Cross-examined.—June 24, 1840, the whole went to credit of executors, and the greater part was drawn out on that day. The deposit account is made up of the various individual accounts. Wherever there is an overdraft, the weekly report would not exhibit a just return, unless the fact be noted in it. All the cash in the bank is under the cashier's control—he is the chief officer in relation to the cash, all the others are under him.

In reply.—The private account of the cashier is different from the general account of the bank.

Judge King.—Knew Sollee from his boyhood—always had a high opinion of his character—always exemplary.

Cross-examined.—Wilkie had a very good character—witness was once a director and would not have continued him as cashier if he had not thought well of him.

In reply.—He was an intelligent—shrewd man.

A. C. Smith.—Wilkie usually remained in the bank until half-past 2 or 3 o'clock, P. M. Described the situation of the teller's desk and cashier's—on balancing days and particular occasions, Wilkie would sometimes remain in bank later than usual. Wilkie was cashier in 1828, when witness was elected a clerk. On 1st July, 1840, Sollee deposited in Union Bank \$20,000. February 17, 1840, he deposited \$5,000. July 12, 1841, he deposited \$3,000.

Cross-examined.—Sollee had the same facilities as Wilkie to get into the bank—while he acted for Wilkie and for himself. Wilkie's health was not so bad that he could not do business for half an hour. Impossible for any one but the cashier to get at the money in the vault.

In reply.—Thinks that Sollee never had Wilkie's iron chest key before it was given to Godard.

Jos. Zealy.—Has been clerk in the Union Bank since 1838. Was sent to the Charleston Bank occasionally to make exchanges. It was usual for the Bank of Charleston to send in \$5,000 at a time. The Bank of Charleston drew on the Union Bank at one time for \$68,000. The circulation was soon after reduced to \$2,800.

Cross-examined.—Does not remember any particular time.

Dr. J. W. Schmidt.—Mr. Alexander Brown (one of the directors) is now ill—in a state of imbecility and cannot be examined.

Cross-examined.—Has been sick for some time.

S. T. Robinson.—Was elected cashier of the P. & M. Bank in 1836—the bulk of the money turned over to him was in sealed packages—only a few of them re-counted—when the money is re-counted, it is put under a new envelope. The cashier supervises the book-keeper. If the latter conceals overdrafts, the former cannot know it.

Cross-examined.—Our practice is to make a monthly balance sheet of the individual deposits. It is the cashier's duty to report to the directors any overdraft of which he is aware.

Daniel Ravenel.—Received money, when elected cashier of P. and M. Bank, in packages, without being counted—signed by the committee—when re-counted, a new envelope is made.

Cross-examined.—We called in several of our issues on account of forgery. The total issue of fives, \$174,000; all have come in but \$2,440, which is about \$1.40 upon the issue—this was in twenty years. Our twenties were counterfeited in the year —. The total issue was \$504,000, and only \$1,660 remain out—32 per cent. on the issue. The total issue of hundreds was \$1,000,000, and only \$4,950 are not come in. Should think that the cashier ought to see the packages counted when he hands to the teller. Would prefer giving out packages sealed up by others, and keeping his own.

M. E. Munro.—Purchased from Sollee in 1836 his farm for \$2,500, paid \$800, and then gave him back the farm in 1841 or 1842—did not settle for it until 1838. The farm belonged to his brother and himself.

E. J. Walker.—Married niece of Mrs. Wilkie—can't tell who had charge of the property—we got six negroes and some property from Col. Steedman, who acted for Wilkie, after his death—never asked Wilkie for an account—never had an account.

Cross-examined.—Never asked for an account in Wilkie's lifetime. It was since his death that he had difficulty; for twelve years his wife lived in Mr. W's family, and he acted as a father to her.

Mrs. Harriet Sollee.—Is sister of Gilbert N. Neville—received \$25,000 for her legacy. Receipt given H. Sollee as executor, 24th June, 1840, for \$22,000. On 26th Feb., 1841, receipt for \$2,780 28—gave H. Sollee \$3,000 of it and lent the rest to him to pay for the wharf—also received from Mrs. Herbermont between 3 and 4,000 dollars. Miss Sollee's legacy was about the same. The legacy from Mrs. Herbermont, witness gave to her daughter Caroline. Her son Henry acted as her agent in receiving the money.

Cross-examined.—None of the money has been returned to her by her son—he has paid interest—she don't know how it is fixed—she left all to him.

Caroline Sollee.—Is sister of defendant—her mother gave her (witness,) the legacy from Mrs. Herbermont. She lent him all the money, for herself and her mother, and took no acknowledgment until two years ago, when he gave his bond—she and her mother lent him the money to pay for the wharf—none of the money has been repaid.

P. J. Porcher.—The wharf was resold in December last for \$100,000. The balance due on the bonds was \$110,146 to 2d June, 1847. The principal had been reduced to \$92,000. There was an accumulation of \$18,000 of interest. Paid the Bank of Charleston \$5,390 as the balance due them. The deficiency was made up by Carson—nothing of that came from the wharf. His statement only shows the balance due. Sollee made all the payments previous to the sale of the wharf, and received all the rents. The debt due to the Bank of Charleston was originally \$19,000.

Charles Edmondston.—Examined the account of the wharf—the receipts from rents of the wharf, while it was in Sollee's possession, was \$58,000
From his mother, 25,000

\$183,000

The book appeared to be a *bona fide* account of the transactions of the wharf. Sollee's character is excellent—economical—sees him daily—he is of a plodding, industrious turn of mind.

Cross examined.—The difference between the account as stated, (crediting the \$25,000 as borrowed and charging all payments,) was only a difference of \$900—wharf property is very expensive to keep up—it was more profitable in his (Mr. E's) time.

James Chapman.—Proved the statement of the business as given by Mr. Edmondston—was present at the counting, when Sollee's money was turned over to Smith, his successor.

REPLY.—Mr. Hayne offered A. Ottolengui as a witness, to prove that the seals of the packages had been tampered with. Ruled out by the judge, as not in reply.

Ker Boyce.—Only remembers Sollee calling once for bills of the U. Bank. It was just after the resumption in 1840, and witness sent round \$68,000, which were redeemed. Don't remember at any time replying that the Charleston Bank had no bills of the U. Bank—always had some few of those bills—the banks resumed between the 14th and 21st July, 1840.

Cross-examined.—August 2d, 1842, had \$2,140 U. Bank bills—August 3d, 1842, had \$4,000—often found balances in favor of the U. Bank, and paid them in specie.

The evidence here closed, and I. W. Hayne, Esq. addressed the jury in an able and eloquent speech, on behalf of the bank. James L. Petigru, Esq. followed in an impressive and powerful effort, on the part of the defendant; and, it being past 4 o'clock, P. M., when he finished, the court adjourned.

Isaac W. Hayne, Esq., on behalf of plaintiffs, said, that he thought the plaintiffs had made good the pledge they had given, to present a clear case of *legal responsibility*. If the jury would free themselves from all sickly sympathy, and previous bias, and try this case as a *civil action*, in which a preponderance of evidence controls the verdict, he felt assured of the verdict.

The legal responsibility was, he thought, fully established, independent of the question of moral guilt, and surely, if the evidence pointed strongly to moral guilt, as well as legal responsibility on the part of the defendant, this was no fault of the plaintiffs, and it would be most unjust to allow this to affect their civil rights.

This was not a criminal prosecution, in which the defendant was to be allowed the benefit of doubts. The jury were to weigh the evidence, and, as the scales inclined, the more to the plaintiffs or defendant, so should they cast their verdict.

The bank had lost some \$20,000 through the carelessness or fraud of some of its agents. Was this defendant responsible? He was the cash keeper, had receipted for the amount, had acknowledged it weekly, for more than seven years, and the deficiency was detected during his term of office, while the treasure was still in his custody. If this did not charge him with the loss, official responsibility was nothing, and not worth the paper on which it was written. With such administration of the law, there needed no *legislation* to get rid of banks, and all other corporations.

What then was the most favorable view which can be taken for the defendant? That this state of facts fixed his responsibility, unless the evidence had established, either that the money was lost before he took the cash in charge, or that, if afterwards, it was lost without default or carelessness on his part. *These circumstances* of excuse must be *affirmatively proved*.

But the evidence in fact goes no further than to show a "*remotissima possibilitas*," a very remote possibility, that the money *may*, perhaps, not have been in the packages, when he received them.

But Mr. H. contended that the admission of the defendant, evinced by his countersigning the report of the committee of directors, and his subsequent acknowledgments, by his weekly accounts, having been *acted on* by the bank, the defendant was estopped from inquiring into the truth of the admissions. Between A. and B., simple individuals, having equal claims upon our sympathies, any other doctrine would be considered as monstrous.

The counsel here cited 1 Greenleaf on Ev. 240, 243, 246. 1 Campb. R. 532. 3 East 147.

Mr. H. insisted that the case was not altered by the fact that a committee of directors were present, and sanctioned the conduct of the defendant. Directors are but *agents* of the corporation, not the corporation itself. As to third parties, they represent, in most things the corporation, and bind it by their acts, but, as dealing with the corporation itself, the directors are but *agents*. Mr. H. quoted from Angell and A. on Cor., pages 212, 213, 224 and 260. He likewise read from 1 Peters' 46, to the effect that no vote or act of the directors, can excuse the cashier of a bank for an illegal act within the scope of his own official duty. The directors had no right to convert a keeper of money into a keeper of packages, and no vote of theirs could change his character in this respect. His admission was not the less an admission because the committee of directors sanctioned it, and, the bank, having acted on this admission, it was conclusive on defendant.

As to the overdraft, the counsel cited Angell and A., 265, 258, 244, and 1 Mills' Con. R. 404, and insisted that it was a clear breach of official duty. Having been continued for two years and 8 months, he must have been aware of it—the amounts overdrawn varying from 1,000 to \$ 4,800, forbade the idea that it could have been accidental. If he, the cashier, knew of the overdraft, then, in every weekly account, during these two years and a half, he represented falsely the condition of the bank, by just so much as he had overdrawn. The overdraft was reduced now to a small amount, and this branch of the case is chiefly important from its bearing on other matters.

The attempt, on the part of the defence, was to make this case turn on the guilt or innocence of defendant in embezzling the money of the bank.

Defendant's suspicious attitude, in this respect, afforded but flimsy ground for releasing him from an established legal responsibility.

How stood this part of the case?

It was clear, first, that the money was in the packages when they were sealed up—the witnesses had so sworn and could not be mistaken. And, secondly, it would be readily inferred that whoever took from one package took from all three. With these land-marks, let us examine who did take it. No person *out of the bank* could, from the situation of the vaults, the keeping of the keys, &c., have abstracted the money; besides that no *thief* would have taken \$ 4,400 out of a package, and have left in it \$ 5,600.

For the same reasons, no bank *officer but a cashier* could have taken it. None but the keeper of the money was interested in keeping up appearances, and certainly none but the keeper would have taken out money with the view of returning it again. Whoever took this money, meant, at the time he took it, to return it again. No other supposition can account for his leaving a part of two of the packages still in the envelope. It would have been as easy to have taken all. And no bank officer, but defendant, has been shown to have been in a situation to require large loans of money.

It must have been taken by a cashier, and, as the packages were only in the custody of Wilkie and defendant, however painful the conclusion, we are forced upon it, that *one of these two* must, in the nature of things, have tampered with the packages. None but the cashier would have had the motive to take it in the manner this was taken, and none but the cashier is shown to have had the opportunity.

Could it have been Wilkie? Two of the deficient packages he had in custody, only from the 19th July, to the 1st August, a period of 13 days. If he did not take it during those 13 days, he could not have taken it all, and, if he did not, Sollee, according to the argument, must have taken it.

Wilkie was proved to have been a high toned honorable man, of unim-

peached integrity—fond of good living it is true, to an extent that impaired his health, but a good accountant, very exact in business, and, as cashier, uniformly correct, and not extravagant in his expenditures. He was proved to have been a man, who lived about up to his income, but not above it—that he owed but few and small debts, and bought no property—and that, during the 13 days referred to, he was feeble, nervous, sick, and expecting to die, and did die very soon afterwards. It was shown that, during this time he paid no debts, he spent no money, he bought no property—that he died poor, and left his family in great need. If Wilkie took the money, what became of it? How could he have disposed of it in so short a time? And what could have been his motive in taking it?

Sollee had the money in custody upwards of seven years. He is shown to have been an excessively economical and very diligent man, much in debt, and bent upon the accumulation of a fortune. We find him borrowing money from all who would lend, and, for a course of two years and a half, constantly overdrawing his bank account. At one dash he goes in debt \$120,000, and we find him borrowing from his mother \$25,000, from his sister \$9,000, and from Higham & Fife \$5,000. To the two former giving not even his own note, or so much as a due bill, for near three years; and only a bond, without security was given at last, and that not until this affair had become known. Why, said Mr. H., this was the very sort of a man to commit such an act. Close, grasping, in debt, inclined to borrow, reckless as to the mode of securing the lender, and a man that was, when cashier, in the habit of overdrawing his bank account. To this there was no set off, but that which in every case, involving embezzlement, was from the nature of the case supposed to exist, the previous good character of the defendant.

If Wilkie took the money, how could he have hoped to replace it? We see clearly how Sollee might have hoped to replace it.

With longer opportunity, stronger motive, greater means of concealment, why pass over the officer, in whose keeping the money was when the loss was discovered, to suggest suspicion against the dead, towards whom no single circumstance pointed.

This surely is not the case on which a jury will allow a man to escape a just responsibility to pay money, only because, in their leniency, they loop to hang a doubt upon as to his moral guilt.

J. L. Petigru, esq., for defendant, said, the real question was, whether Sollee had embezzled the funds of the bank. On this issue the verdict must be found, for, though it had been argued that Sollee was liable, independent of any question of guilt, he could regard this only as an effort to reconcile men to an act, which could not be defended openly; as an endeavor to sweeten the nauseous draught to the taste of the jury. The receipt, which Sollee had signed, was so much evidence of money delivered to him; but it was competent for him to show that, instead of receiving money, certain sealed packages had been delivered to him, and that, when those packages were afterwards opened, they were found to contain waste paper instead of money. Taking the receipt literally, it would cause us to believe that so much money had come to Sollee's hands: but if, on examination, it should appear that the money did not in fact come to his hands, the evidence of the receipt must give way to the force of truth. The receipt does not prevent him from showing the truth: and the truth is that he received certain bundles, under seal, labelled and marked as bank notes, to such an amount; but, whether those bundles did then contain bank notes, or whether the amount of the contents corresponded with the label, was not ascertained. If he kept those bundles as he got them, and returned them to the bank as he received them, he has discharged his obligation, no matter what the re-

ceipt may say. There is no magic in the receipt; it cannot change the truth, or make Sollee answerable for money he never received, any more than it can transmute waste paper into treasures and precious objects. As soon as it is admitted that it is open to the party to show what he did in part receive, notwithstanding the words of a written receipt, the conclusion follows that the party, who signed the receipt, is bound by it no further than it coincides with the truth. *Tobey v. Barber* 5, John 68.

Let us concede that, when the bundles were labelled, they contained money: and, that when they were opened, they did not—and that there has been an embezzlement. Still Sollee could not be charged with the embezzlement, unless it be shown that the bundles contained the money when he received them. But the plaintiff had not shown and could not show that they did. If one of the jurors should receive a casket under lock and key, supposed to contain a jewel of value, and keep it faithfully without examination, and when opened there should be no jewel within, he would feel no difficulty in accounting for the result. As he would be conscious that the casket had never been opened in his possession, he would never think of a miracle, but naturally and simply, and with the assent of every reasonable mind, infer that there was no jewel in the casket when he received it.

In all investigations, the first thing is to fix the premises. We must argue from what is certain, if we would seek the truth, and if we begin with an uncertainty the whole chain of reasoning is worthless. The claim against Sollee is a charge of embezzlement. The foundation of the charge must be laid in showing that the money came to his hands. And here the plaintiffs have failed, and must forever fail, because, upon their own evidence, it is perfectly uncertain whether the money was or was not in the bundles when they were delivered to Sollee.

A private banker would hardly venture to come into court with so flimsy a case, if he had taken no more precaution than the Union Bank did to ascertain the contents of the bag before it was delivered for safe keeping.

It has been argued as if we were endeavoring to throw the guilt of the embezzlement on Mr. Wilkie. Nothing can be more unjust. We contend that there is no proof of embezzlement by Sollee, and we should be mad to say that there was any proof of the offence against Wilkie.

The whole case of the plaintiffs is this: There has been an embezzlement, and Sollee had the opportunity of embezzling; therefore he is liable for the fact. But the inference is utterly untenable. If there was nobody but Sollee that had had the opportunity of committing this act, the inference against him might be admissible. But, when the circumstances are open to two constructions—when the phenomena can be explained on the presumption of guilt, but are equally reconcilable with the presumption of innocence, then there is no proof to convict either civilly or criminally. Sollee had the opportunity of embezzling, and so had Wilkie, and we know not how many more; but there was no proof to charge either Wilkie or Sollee, and he did not for a moment believe that either took it. Wilkie's character was good, but his habits were bad. He was more easily cheated than a sober man would be. It was not unlikely that the money was abstracted by some adroit thief that had insinuated himself into his company, and knew his habits; and such a person might have rifled the vault at his leisure, while Wilkie supposed he had the key in his pocket. But this was only conjecture. He would not pretend to say how the money went. That very uncertainty was about the plaintiff's recovery; and the character of Sollee rendered it impossible to believe that he could have committed an act so utterly base and unprincipled. It must have been abstracted before 1842, when the currency was reduced below \$3000; and, to fix the guilt on Sol-

Lee, it would be necessary to believe not only that he would steal, but that he would steal when full-handed. He went into a particular examination of the evidence, showing that, on the 10th February, 1840, Mr. Sollee received from Mrs. Herbemont's executor \$ 5940, and paid the greater part directly towards the wharf, and showed, by the accounts of Gilbert Neyle's estate, and the accounts of the wharf, that all the money, which he had advanced on the wharf, was lent him by his mother and sister, and that nothing was paid on that purchase, or on the purchase of his house, but what was strictly accounted for by the wills of Mr. Neyle and Mrs. Herbemont.

If the bank should fail to trace a responsibility for the money to any body, the public proceeds from their own carelessness. The eyes of the public are opened to the pernicious practice of putting up bundles of bills carelessly, and passing them over without counting or breaking the seal. The change of the practice is an acquittal of the defendant; the change shows that the public considers the old plan inconsistent with the certainty which business, and still more the administration of justice, requires.

He examined the evidence of the witnesses to the state of the money in the vault, and the count in 1845, and said that it was demonstrable that the 4 bundles, that were found deficient, looked just like the others, and furnished no proof that they had been opened since they came to defendant's possession.

He dwelt on the character of the defendant, his circumstances, the clear account he had given of all his dealings and all the money he had spent, the utter improbability of moral guilt, and demanded an acquittal on the charge of embezzlement.

Henry Bailey, Esq., attorney general, on behalf of defendant, said the case before them was a most extraordinary one; and he never before felt such a weight of responsibility. He was convinced of the innocence of his client, yet he feared almost any tribunal. The defendant was the companion of his childhood and the friend of his manhood. The whole difficulty in the case originated in the carelessness and thoughtlessness of Mr. Godard, the late venerable president of the institution, and the consequences should not be visited on the defendant either in purse or character.

As to the alleged overdraft, it was not put in issue by the pleadings. The bank charges a default as cashier; and the only proof was a neglect or default of the book-keeper. For this the defendant was not responsible as cashier. He was like every private customer—liable for the money—but not in his official capacity, nor on his bond. There was no connection between his private account and his account as cashier. The overdraft was nothing strange. Defendant's money transactions were large. He made large deposits and had many credits. He drew the money out in small sums. Was it wonderful, then, that he should overdraw, if the book-keeper gave him no notice? It was quite probable he often asked the book-keeper, if he might draw for such an amount. The book-keeper said he and Sollee were both thunderstruck at finding the overdraft so large. The books were so much in arrear that the book-keeper knew nothing of the state of the account. The defendant's excuse then was the great extent of his business and his reliance on the book-keeper. Besides, he made arrangements for refunding, and did refund nearly the whole amount of the overdraft, as soon as made aware of the fact. He had no notice, until this suit, of the small balance now claimed. Mr. Bryan, near a year after Sollee left the bank, discovered that a small balance was still due. Was there in fact any, and what balance? But \$109 of principal was claimed. A large amount of interest was also claimed. Was the bank entitled to that? Certainly not

If Sollee were to pay interest for the balances in 1843 and 1844, then the bank ought to pay interest on the balances in his favor in 1840, 1841 and 1842. But, if there was a balance, it could not be recovered in this form of action. No action lay for it on the bond—assumpsit was the remedy. At all events there was no ground here to impute moral delinquency to defendant—and he was clearly not answerable for the book-keeper's carelessness.

As to the claim, under the 2d count, charging defendant's liability for neglect in settling with Wilkie's widow or sureties. The proof is the committee of directors were authorised by the bank to settle with Wilkie. If the committee took the packages from Wilkie's agent, without counting, they were liable and not Sollee; and, if they subsequently delivered the packages to Sollee, also without counting, they were bound by the endorsement, which was a *warranty* of the contents. The bank was bound by the act of these agents. It was absurd to say otherwise. Sollee's not counting gave him some difficulty as to the proof; but the liability of the bank on the *warranty* remained and applied, if the evidence exonerated Sollee from the suspicion of embezzlement.

The receipt given by Sollee was not conclusive. It was evidence against him as cashier until disproved. But fraud and mistake were good grounds for setting aside the most solemn contracts, not to speak of mere receipts. The authorities, cited by his colleague (Mr. Petigru) on this head, might be indefinitely multiplied. If Wilkie or any body else committed a fraud on the packages, and the committee delivered them to Sollee, or any customer, without counting, they (the committee) were liable for the fraud.

Even if there were a mere mistake, and that a mutual mistake, justice and the law both required that the mistake, when discovered, should be rectified.

But it was said that where one party makes a representation, and another acts upon it, the first party is bound by it, although the fact be otherwise than so represented—and Greenleaf on evidence was cited.

This, however, applied only where the party to whom the representation was made, was both ignorant of the truth, and not bound to know it. It would be to encourage fraud to carry the rule further.

Now here the bank was equally bound with Sollee to know the truth. In fact they were first bound. They first received the money from Wilkie's representatives, and were bound to know that they received all that the packages purported to contain. It was their duty and not Sollee's to do this. When they delivered the packages to Sollee they were equally bound with him to *know* what they contained, and it was absurd to say that, because he *acquiesced* in their representation he must be the sufferer.

The truth is they made the representation to him, and they were bound by their representation and warranty to him. If it turned out to be a *misrepresentation* on their part, however innocent they might be in a moral point of view, because they were ignorant of the truth, yet, as they were bound to know it, they were liable to the same extent, and in the same way as if they did know the truth, and fraudulently misrepresented it.

Their own rule was against them. Their law was good, but they sought to put the burden on the wrong party.

4. This brought him to the main, and in truth the only question in this case—was the deficient \$20,400, in point of fact, really and truly in the packages, in September, 1837, when they were delivered to Sollee, or was it not?

In deciding this question, the jury were to judge, from the effect of the whole evidence. There was no rule of law, arising out of the position of

the parties, which required them to lean otherwise than as the evidence weighed upon their judgments. If Sollee's receipt threw the burden of proof upon him—yet, if there were evidence to the point, no matter from what quarter it came, the jury were to base their verdict upon the just weight of that evidence, without reference to the inquiry who was bound to produce it.

In law every killing was presumed to be murder, and the presumption of malice arose from the proof of the mere fact of killing. Yet, if that presumption were rebutted by the proof of the circumstances under which the killing took place, the defendant was necessarily acquitted, although the proof came altogether from the prosecution. And, in judging of the circumstances, the jury were bound, as in all cases where an atrocious offence was charged, to give the defendant the benefit of any rational doubt.

In considering the question whether the deficient sum of \$20,400 was in the packages, in 1837, on the principles above laid down, he remarked—

1. That the deficiency of \$20,400, discovered in 1845, was in the bundles packed up before Sept., 1837, from which it resulted that, unless they had been tampered with since they came into Sollee's possession, the deficiency existed before the transfer to him; and, therefore, he did not receive the money purporting to be transferred to him, by this sum of \$20,400.

The amount endorsed on these packages, was the basis of the statement on which he gave his receipt, and it ran through the whole account; so that, if there were error in 1837, it was the very error discovered in 1845.

If the packages then, in July, 1845, were in the same situation as in Sept., 1837, it is too clear to admit of argument that Sollee did not receive this \$20,400 in 1837, and, therefore, was not accountable for it in 1845.

2. The packages deficient were packed up in April, 1835, 3d May, 1837, and 19th July, 1837. This was before the delivery to Sollee, in Sept., 1837, and it is clear they were not opened and counted at that time. To be sure none of the committee who made the transfer were here. He had done his best to get them. But it was manifest the packages were not opened or counted. This appeared from several considerations:

1. They would have been put in new envelopes, but here they were found in the old ones.

2. It was not the usage of any bank to open and count.

3. The presumption must legally stand against the bank; because the leaving of the old packages must be regarded as an admission that they were not opened and counted.

4. To this he would add that the report of the committee did not import that the packages were opened. It spoke of "counting," as do the reports for the seven or eight subsequent years, when it was proved the packages were never opened and counted.

That the packages were not opened, after they came to Sollee's hands, was plain, for the following reasons:

1. The state of the circulation was such, that so large an issue would at once have been detected; and showed Mr. Smith's opinion to be correct; that it must have been before 1837.

The book of issues, after and before 1837, showed this.

Another conclusive circumstance was, that as soon as Sollee was elected, a new issue of bills was ordered, and the issue of old bills forbidden. The deficient packages contained only old bills. This rendered the putting out so large a number of old bills, in the state of the circulation, after Sept., 1837, impossible, without almost instantaneous detection.

2. Sollee could not have taken this large sum, without exhibiting some signs of it. Where are these signs? He neither gambled, nor speculated, nor lived high, but his life was the reverse of all this.

He bought property, but has accounted for every dollar paid for it. His accounts, Neyle's will, bank books, purchase of house, and his deposits in bank, all showed this. Lest there should be any cavil about dates, he referred to them, and to Mr. Desaussure's letters. But dates were immaterial. He had received large sums of money—they were adequate to all his purchases. If he took \$20,400 from the bank, where was it? If he applied bank money to pay for the wharf, what had become of the money from Neyle's estate? The evidence showed that he had this money, and deposited it in the Union Bank: 17th Feb., 1840, \$5,000; 1st July, 1841, \$20,140; 12th July, 1841, \$3000.

3. He dwelt on the spotless character of his client, unstained by suspicion of even folly or vice, as a perfect shield and wall of defence against this imputation.

4. His behavior at and in relation to the examination, without apprehension or caution—his letters—all showed his innocence.

5. He had five days notice of the examination; and, had he been conscious of guilt, he could easily have made such arrangements as would have rendered detection impossible.

He next considered the circumstances urged against the defendant.

1. His purchases of property—That was already and fully explained.

2. His over drawing—that was a miserable effort to support a weak cause.

3. The false report as to the answer of the Bank of Charleston. Answer—Smith's evidence on this point was not positive, and all was cleared up by Boyce and Zealy—Boyce admitted paying specie at times when he had Union Bank bills in his possession. According to Smith, the message was sent when the circulation had sunk to \$2,800—say 7th Aug., 1842—when there was no evidence that Boyce had a dollar of Union Bank paper.

4. Sollee had access to the money—that proved nothing. He had no access to Wilkie's chest until Sept., 1837—Wilkie kept the key, until a few days before his death, and then Mr. Godard had it.

5. He did not put out these packages as other cashiers had done. Answer—it was the president's order only to put out the new issues.

6. Gross negligence in not insisting on a count. The argument was ten-fold stronger against the bank. Sollee had deference to his seniors, and to the usage on the subject. It was gross negligence in Mr. Godard and the bank in not counting. It was easy for him to have done so. He bade the jury remember Mowry's subsequent proposal to count, and its rejection.

7. His offer to pay \$5,000—Mr. Godard, if alive, would have paid the whole.

8. Difference in appearance of packages. That proved nothing as to the time when the fraud was committed. It also proved absolutely nothing—unless it was such as to strike at first sight. But it had escaped observation during the annual counts. Nor was the alleged difference in appearance clearly proved. The memory was not to be trusted in this matter. Winthrop differed from the others as to some particulars. Tobias denied that that there was any thing suspicious.

But why were not the packages preserved, to let us judge of this difference? The directors were bound to have done so, especially after Sollee's notice to that effect.

The destruction of the packages shows that this difference was not much thought of at the time. "Tis distance lends enchantment to the view."

9. The disorder of the packages proved nothing—or, if it did prove anything, it was in favor of Sollee. He had notice five days before hand of the

intended count. If he had been conscious of guilt, he would have had the packages laid smooth, and every thing arranged to allay suspicion. The doubtful packages would not have been placed on the top, but would have been put out of view.

10. Wilkie's sureties were discharged. That was not Sollee's doing, but the committee's. If the bank lost, it only paid the penalty of a vicious usage—a habit of gross negligence—Sollée did not originate this habit—he was its victim—deference to his superiors compelled him to yield to it.

Gentlemen talked about example—who so fit, or so deserving, to suffer the penalty by way of example as the bank? Let the jury, by their verdict, sanction the gross negligence of the bank, and we should soon find the old negligence again.

These were the circumstances relied on against Mr. Sollée. What do they amount to? Could they weigh against the circumstances which demonstrated the impossibility of his guilt?

It was enough for him that Sollée was not guilty—it was not incumbent upon him to show who was the guilty person.

Mr. Petigru had suggested that some thief unconnected with the bank might be the guilty party. This is possible, but there was no evidence of it, and it rested on conjecture.

Would it be said, then, that it must be either Sollée or Wilkie? He had wished to avoid that issue—and, perilous as it was to his client, to forbear a contrast of his case with Wilkie's, he had determined to say nothing about the latter. The plaintiffs had forced him to abandon that policy by going into that contrast, and calling witnesses to establish Mr. Wilkie's case and character. Reluctantly, but fearlessly, he met the issue. The packages were all endorsed, and by Wilkie. The state of the circulation in his time gave facility to the perpetration of the fraud without detection. It was easier to account for the disposition of the money, in his case, than in Sollée's.

The following circumstances were worthy of note as to Wilkie: he was in constant need of money, his habits of expenditure were such as, without property, could not be sustained by a salary of \$2,000. The proof of his habits outweighs his character. In his condition a man was very apt to go wrong. What had Wilkie done with the money? a long course of high living accounted for it. The money was no doubt taken by degrees, and one package was from time to time pilfered to make good another, till even in the last fortnight he opened two of the packages. The jury would remember Smith's account of his habits, condition and *opportunities*. Mr. Smith's value as a witness was a full reply to all Mr. Hayne's observations on this point.

The inevitable consequences of a verdict for the plaintiffs would be to seal the ruin of defendant and his family, and stamp infamy upon a man of pure and spotless life and character. Was there any evidence to justify this? No! all the evidence established his innocence. His wife and children were awaiting, with agonized hearts, the result of this verdict. Let it be such as would convey peace to their bosoms and vindicate the good name of an injured man.

Wednesday, May 26th.—The court met at 10 o'clock, A. M., and resumed the case.

Henry Bailey, Esq., for the defendant, and C. G. Memminger, Esq., for the bank, occupied the court from the hour of meeting until past 4 o'clock, P. M., in two of the most masterly opposing efforts ever heard at our bar—Greek meeting Greek and exhibiting "the tug of war."

His honor, Judge O'Neill, charged the jury that, in a case like this, it was necessary for both court and jury to divest themselves of prejudice and feeling; and carefully to examine and weigh the evidence. Some of the

facts were clear. On counting the money in 1845, \$20,400 in Union Bank bills were missing. But it was also clear that the bank had never been called on for one dollar that was lost. On the 9th August, 1842, the circulation of the bank had been reduced to \$2,796. That the money was received by Sollee, without counting, was to be inferred from Mr. A. C. Smith's evidence. There was no doubt that defendant must account for the \$20,400 with interest from 21st July, 1845, unless he had satisfied the jury that the money never came to his hands, or if it came to his hands, that he had lost it without negligence on his part. This was the result or effect of his own receipt and subsequent admissions. To enable them to decide the question, it was necessary to look into all the facts carefully.

1st. The money was not counted.

2d. The packages were under seal.

Five packages were selected on account of appearing to have been tampered with—two of these were deficient—and a third was afterwards found deficient also. The only seal produced had the appearance of being re-sealed. Mr. Hedley said three packages, with Mr. Godard's seal, had been tampered with. The seal on one of them looked like it had fallen on the floor, and had gravel or sand on it. The package marked 19th July, 1837, went into Wilkie's hands—but he left the bank finally on the 2d August thereafter sick and dying, and no suspicion could attach to him.

The defendant's good character ought to weigh much in his favor—it negated the presumption of his taking the money intentionally.

His payments on the wharf purchase were satisfactorily accounted for, by the earnings of the wharf and the money received from his mother and sister. There was therefore no ground of suspicion in the necessity of raising money for this purpose.

The offer of compromise should not weigh against him, as, under his responsibility as cashier, and in the urgency of the moment, he may well have proposed a compromise, although innocent, to protect his character and avoid a doubtful litigation.

But although he may not have taken the money, yet if it were lost by his negligence, he would be responsible. He could only be excused, if the money were lost in his time, by satisfying the jury that the fault was not his.

The next issue was whether the money was lost in Wilkie's time? The deficient packages had been in his possession; and if the loss occurred under him, Sollee was not responsible. Wilkie's character was good—and he had no use for such a sum, nor temptation to appropriate it. His habits of living were not good, but there was nothing to charge the loss on him personally. It might be, however, that some one took advantage of his condition to despoil the bank, and if so, of course Sollee was not liable.

Lastly, it was to be considered whether the money ever was there either in Sollee's or Wilkie's time? The only thing that leads to suspicion on this point, is that not a dollar of this lost money has ever been demanded of the bank, so far as is known.

Supposing the facts of the case to be in Sollee's favor, there was nothing in the law to make him liable. He did not settle with Wilkie or Wilkie's sureties; the committee of directors did so and that without counting. If Sollee had done this—if he had thus discharged Wilkie's liability, he would have been himself liable in law. But such was not the case—and, in 1842, Godard himself said—his seal and signature were there, and there was no necessity to count again. He submitted the whole case, on the facts however, to the jury, charging them, in conclusion, that Sollee's overdraft was a breach of official duty, and, for the balance still due on that account, there must be a verdict for the bank with interest.

The jury retired, and, after deliberation for about an hour and a half, returned into court with a verdict for \$196 in favor of the bank, being only for the amount due on the overdraft with interest. Adjourned.

To the Editors of the Charleston Courier—

GENTLEMEN:—On reading the report of the case of the Union Bank *vs.* Henry Sollee, published in your paper of this morning, I noticed that his honor, Judge O'Neill, in his charge, stated "it was also clear, (with other facts in the case,) that the bank has never been called on for one dollar that was lost." As this does not appear in the evidence, and as it is probable his honor received this impression from the evidence which I gave, "that the bank has never been called on to redeem more bills than are shown by the books to have been lawfully in circulation;" and, as the statement may lead to an erroneous impression, I beg leave to say that the Bank did, no doubt, redeem the greater part of the money lost, in August, 1842, when its legitimate circulation was reduced to \$2,796.

The amount of the old issue now in circulation, and not redeemed, is about \$13,000. If it be a reasonable calculation, that in the course of the operations of the bank since 1810, the bills lost or destroyed will amount to \$10 or 15,000, then it is very clear the bank has redeemed nearly the whole amount abstracted.

It may be proper for me to add, that when it was ascertained \$20,400 was abstracted from our vault, the amount was charged to the late cashier and his sureties; the actual circulation was thus increased, and has since appeared in the statements of the bank as an item of its liability. Your obedient servant,

Charleston, S. C., May 27, 1847.

A. C. SMITH.

[NOTE—For the preceding Report we are indebted to the Charleston Courier. The remarks of Mr. Memminger, counsel for the prosecution will be given in our next No. We learn that the Union Bank has taken an appeal in the case. *Ed. B. M.*]

BANK ITEMS.

KIRKLAND BANK.—A. G. Gridley, Esq., has been elected President of the Kirkland Bank, at Clinton, New York, in Place of Orrin Gridley, Esq., deceased.

MACHINISTS' BANK, Taunton, Mass.—The stockholders in this new bank have made choice of the following officers: Mr. William Mason, President; and Jesse Hartshorn, Simeon Presbrey, Horatio Pratt, Nath'l Morton, Willard Lovering, H. W. Church, Samuel C. West and Cyrus Lothrop, 2d of Taunton, C. T. James, of Newburyport, George B. Hood and Isaac Pierce, of Somerset, directors.

BANK OF TENNESSEE.—Mr. Joseph W. Allen, of Smith county, and of the late firm of Allen, Allison & Co., New Orleans, was on the 9th of May, elected cashier of the bank of the state of Tennessee, in the room of Major Daniel Graham, who resigned in consequence of having been appointed Register of the Treasury at Washington.

BANK OF WATERTOWN.—We learn that "this banking institution has been enjoined by the comptroller. The business of the bank is therefore temporarily suspended, and the directors have until the 29th instant to show cause why its affairs should not go into the hands of receivers. Meanwhile it is hoped that such an arrangement may be perfected as to enable the bank to resume its business. The bill holders must ultimately receive their pay. The notes are now received by some of our merchants."

CONDITION OF THE BANK OF WATERTOWN, [N. Y.,] MAY 1, 1847.

Resources.	Liabilities.
Loans, bonds & mortgages, \$151,950	Capital, \$100,000
Real estate, 3,826	Profits, 1,256
Expense account, 2,718	Circulation, 48,214
Specie, 1,985	Deposits and balances, . . 20,005
Cash, 5,380	
Bank balances, 3,616	
<hr/> \$169,475	<hr/> \$169,475

COUNTERFEITS.—A remittance was received yesterday at the Suffolk Bank, from the Bank of Burlington, Vt., of \$900. There were four bills of \$100 each, and two of \$50 each, of the Shoe and Leather Dealers' Bank, Boston, making \$500. Then there were eight bills of \$50 each, of the Massachusetts Bank, Boston. All of these bills had been altered from one dollar bills of the respective banks. The alterations are so well done, that ninety-nine persons out of every hundred would not detect the cheat. The loss to the party who made the remittance, is \$886. We hope that the scoundrels who are flooding the country with their spurious notes, may soon be detected.—*Boston Atlas*, June, 22.

BANKS IN CONNECTICUT.—There does not appear to be a disposition among our legislators to create much new banking capital. The only bank charter which has passed both houses, is that incorporating the Iron Bank of Canaan. A motion made in the house yesterday, to reconsider the vote negating the bill for a bank in Derby, was lost by a vote 102 to 103. The Winsted Bank was lost by a vote of 90 to 107; and the Deep River Bank by a vote of 89 to 97. These are the only bills which the committee reported.—*Hartford Courier*, June 22.

SEVENTH WARD BANK.—John W. Lawrence, Esq., has been elected President of the Seventh Ward Bank, Pearl street, New York, in place of David Brown, Esq., who declined a re-election.

INDIANA STOCKS.—The transfer books of the new Indiana state and canal stocks will be opened at the office of the undersigned, No. 50 Wall street, up stairs, from and after Tuesday the 6th of July next.

Certificates for the new stocks, in place of bonds surrendered, will be ready for delivery on and after the 1st July next.

Dated New York, June 17, 1847.

M. G. BRIGHT, Agent of the State of Indiana.

INTEREST ON INDIANA STATE STOCKS.—Notice is hereby given, that the first semi-annual payment of interest upon the new *Indiana state five per cent. stock*, will be paid by the undersigned, at the office of Winslow & Perkins, No. 52 Wall street, on and after Thursday, the first day of July next.

Holders of Indiana bonds will bear in mind that the above interest payment is upon a portion of the new stocks now being issued at the State Agency, No. 50 Wall street, in exchange for the bonds under the recent acts of the legislature, and that all bonds should be surrendered prior to the 30th of June instant, inclusive, in order to entitle the holder to this payment.

Dated New York, June 17, 1847.

M. G. BRIGHT, Agent of the State of Indiana.

THE BANKERS' MAGAZINE,

AND

State Financial Register.

VOL. II.

AUGUST, 1847.

NO. II.

FINANCES OF THE UNITED STATES.

The late returns of the business at the New York custom house, for the first six months of the present year, furnish us a tolerably correct idea of the business of the whole country for the same period.

The following is a condensed summary from official sources:

COMMERCE OF THE PORT OF NEW YORK.

Imports.	June, 1847.	June, 1846.
Free goods,	\$401,358	\$1,239,006
Dutiable,	5,689,109	4,605,527
Specie,	547,813	29,122
	<u>\$6,638,280</u>	<u>\$5,873,655</u>

DUTIES RECEIVED.

June, 1847,	\$1,444,771	June, 1846, \$1,462,098
Six months previous,	9,315,854	9,080,202

Total, seven months, \$10,760,625 \$10,542,300

Exports.	June, 1847.	June, 1846.
Domestic merchandise,	\$6,810,203	\$3,745,687
Foreign "	311,757	321,562
Specie,	134,330	

7,256,290 4,067,249

Six months previous, 23,366,386 14,739,382

Total, seven months, \$30,622,676 \$18,806,631

The imports now in public warehouses are not included above.

AGGREGATE IMPORTS FOR THE SEVEN MONTHS.

	1846-7.	1845-6.
Dutiable,	\$41,626,427	\$33,989,840
Specie,	7,988,374	422,178
Free,	6,215,148	6,270,561
Total,	<u>\$55,819,949</u>	<u>\$41,682,579</u>
Duties received,	10,760,625	10,542,300

Average rate of duty under the new tariff, 18 per cent. Average rate of duty under the old tariff, 24 per cent.

Increase of dutiable goods in 1847, (six months,)	5,636,000
Decrease of free goods,	1,055,000
Increase of specie,	7,556,000
Increase of duties received,	218,000

It may be superfluous to add any remarks to the above exhibit, but we cannot omit the expression of our regrets at the results. With an increase of imports for the half year into one port only, at the rate of *nine millions* per annum, equivalent to fifteen millions at all ports of the Union, we find this increase of indebtedness to Europe does not produce a commensurate increase of revenue. Under the operation of the present tariff we are not only increasing our debt to England and the continent, but we are deriving little or no good in the shape of additional revenue. Taking the imports at New York as a criterion of the imports throughout the Union, it must appear to our readers that an alarming increase is now taking place in the quantities of foreign goods consumed or entered for consumption. This, accompanied by a sudden inflation of bank circulation and bank facilities, with a general rise in the market value of property, shows that the increase is not healthy. We cannot anticipate for any length of time an European market for our surplus grain, and we cannot but fear a repetition of the events of 1834-5-6, when our own markets were flooded with foreign goods, at the cost of the specie in our then bank vaults.

With a prospect of increased imports of foreign goods and reduced exports of grain, we may calculate upon unfavorable rates of exchange for 1848. There is a constant tendency among our people to *overtrade*—while the existing demand abroad for our breadstuffs is an *accident*, and in Europe is considered a *calamity*. Few of our readers need reminding that it is only eleven years (1836,) when the imports of foreign goods into the United States amounted to one hundred and ninety millions of dollars—an excess caused almost entirely by the superabundance of money and the sudden inflation of bank issues. The result was, a speedy rise in the exchanges, heavy exports of coin, and the suspension of the banks in March, 1837.

The returns of the New York banks for May, 1847, show an increase of ten per cent. in their loans, and fourteen per cent. in their issues within the preceding ninety days. This is not a healthy increase; and if the loans and circulation of the banks in other states are upon a similar scale, we shall not be surprised, for it will be in good keeping with the increased receipts of goods from abroad. It will be observed, too, that in the statement of duties and imports, on a previous page, no estimate is made of the immense amount of goods at New York and other places, in the public warehouses and not entered. Under the liberal warehousing system lately adopted, the public stores are *groaning* with merchandise from abroad, the results of foreign labor, and to be paid for eventually with the coin now on hand in our banks.

The following exhibit of the public debt is derived from the treasury books :
Abstract of the Public Debt of the United States on the 1st day of July, 1847.
Showing first, the amount of Loans, and second, the amount of Treasury
Notes issued and outstanding.

1st. As to the amount of the debt—

Of the loan of 1842,	\$8,343,886 03
“ “ 1843,	6,604,231 35
“ “ 1846,	4,888,149 45
“ “ 1847,	4,447,650 00
Mexican 5 per cent. (1846,) . .	298,754 36
Bounty land scrip,	11,650 00—\$24,594,321 19

2d. Treasury notes outstanding—

Of the issue prior to 1846,	279,139 31
Of the issue of 1846,	1,933,200 00
“ “ 1847,	11,105,750 00—\$13,318,089 31
Of the old funded and unfunded debt,	130,000 00
Debt of the corporate cities of the District of Co- lumbia, assumed by Congress,	1,080,000 00

Total public debt existing July 1st, 1847, \$39,122,410 50

With such a debt existing among us ; with a continued drain of coin at this period to Mexico ; with a war that has already consumed upwards of thirty millions, and may call for thirty millions more ; with a tariff which requires the importation of one hundred millions of goods to produce the same revenue which seventy-two millions produced in 1845-6 ; with the prospect of an abundant harvest in Europe, and the consequent decline in the price of grain : with these facts and indications before us, prudence would dictate the husbanding of our resources and renewed caution in our importations from abroad.

Yet, in the face of these, we find that at New York alone, increased imports equal to nine millions per annum, and it is fair to suppose that Boston, New Orleans and other ports, are on the same scale.

Our readers are familiar with the recent crisis in the English money market, and with the fears which existed throughout England as to the results. This alarm prevailed while the Bank of England held in its vaults twice as much coin as all the banks of New England, New York and Pennsylvania put together. The causes which produced that alarm were temporary and accidental. The causes which have always produced ultimately a stricture in our money market not only now exist with us, but they are neither accidental nor temporary. On the contrary we consider them deep-seated, and their duration as longer than a season.

The recent heavy importations of coin from abroad are simply the results of a short crop in Europe—a cause which may not occur again for many years. The excessive importations of foreign goods are, however, the results of overtrading, and must be paid for, not in grain, but sooner or later in coin.

SAVINGS' BANKS.

On the Advantages of Savings' Banks. From a Sketch of their History, &c., by Mr. John Hutchison, B. A., Accountant, Glasgow.

As banking companies generally do not receive very small sums as deposits, it is obvious that in bringing within the reach of the industrious classes the means of accumulating small sums, a valuable privilege is conferred on them. Few of the humbler classes of society are able to deposit a large sum at once; and in the absence of an advantageous plan of deposit for such small sums as they may from time to time be able to spare from the necessities of the present, they are more likely to neglect opportunities of saving, which they might otherwise be induced to embrace; or should they save any part of their earnings, they may be tempted, by the bait of a high rate of interest, to lend it to persons of doubtful security. The following anecdote, related with the utmost simplicity by a poor woman, furnishes an example of what has, in this way, too frequently occurred. "Her father," she said, "had contrived to scrape together 32*l.*, the savings of a life of labor. He deposited country bank notes to that amount in the locker of his chest, from his ignorance of any better method of disposing of them, and there they remained, safe but unproductive. But at last," said she, "the notes *went out of fashion*, and nobody would give a shilling for them; so the money was lost. To avoid a similar disaster, she placed 12*l.* of her own in the hands of a respectable tradesman, and received interest once a year. On drawing her interest, she was somewhat vain of her superior sagacity. But alas! the person in whom she confided became, like the country bank, insolvent, and her little treasure was swallowed up in the general ruin."

The advantages arising to the industrious classes from the saving of a portion of their earnings, are as varied as the roads they themselves take "in journeying through life." How valuable, for example, to the mechanic, is the fruit of his former accumulations, when stagnation of trade dries up the usual sources of supply; he may, at such a crisis, fall back upon his little fund as the means of temporary support, or as the instrument of transporting him to another district, or even to another clime, where his trade wears a more smiling aspect, and where he may render himself at least comfortable, if not independent. On the other hand, he who has no such fund in reserve is reduced to the dread alternative of pining in poverty at home, or of soliciting the cold hand of charity to help him to another land. The vast numbers who, during the last great commercial panic, were placed in this deplorable position—a position into which so many of them might not have fallen, had they, in the day of prosperity, availed themselves of savings' banks—afford a striking illustration of the inherent advantages of these institutions.

Savings' banks afford also the means of providing against the hour of sickness. When disease enters the dwellings of the humbler classes, it is to be feared that not only is its entrance facilitated, but its continuance protracted, or its termination rendered fatal, from the absence of adequate regimen and attention; and if the sufferer happens to be the head or the support of a family, the consequences are tenfold more disastrous: poverty is superadded to the other ills, already sufficiently severe, which had fallen to their lot; and instead of possessing the comforts requisite in sickness, they have not the common necessities of health. The man who, in such circumstances, is possessed of a fund accumulated by his previous frugality, requires no evidence of the propriety of saving a portion of his earnings, or of the value of institutions whose object is to aid him in this great work.

In the winter of life, too, when age creeps on apace, with palsied hand and tottering step, the man who has husbanded the resources of his earlier days is in possession of the means of tempering the cold winds which murmur around his path, and of protecting himself from the bitter frosts which frequently surround the aged of the humbler ranks.

It may be also observed that savings' banks provide for the young the means of accumulating a fund in contemplation of marriage; while they are important auxiliaries to parents who may be desirous, by the investment of a portion of their earnings, to provide for the education of their children, or to assist them in beginning a trade when they reach maturity.

The enterprising artizan, particularly in these days of science and scientific improvements, must often feel the necessity of keeping pace with the progress of his art; but without the pecuniary resources which may be necessary for this purpose—whether as regards the purchase of improved apparatus, the means of temporary removal to a distant place where the wished-for knowledge may be best obtained, or the source of support while engaged in the acquisition of such knowledge—he may be left behind in the march of improvement, and be far outstripped by his more provident, and therefore more fortunate competitors.

But the improvement of their personal and domestic condition, although a great, is not the only advantage which would result from the general practice of frugality and the introduction of habits of forethought among the industrious population. The moral and social effects thence arising, are of no small importance; and are calculated to tell, in no ordinary degree, on the social and national character. The practice of economy may lead to the abandonment of practices which would otherwise be indulged in—practices destructive of morality and social order. It has been frequently observed, that a higher tone of morality is acquired by those who are in the habit of saving a portion of their earnings; they become, in reality, better men. "The man," says Dr. Duncan, "who can deprive himself of present indulgence, for the sake of future independence, will not readily stoop to the suppleness of duplicity, or the baseness of fraud." It has, indeed, been generally found, that when *poverty* is on the increase, *crime* increases in a corresponding ratio; any means, therefore, tending to diminish the one, will diminish the other also. Hence the value to a community of provident and economical habits, by which pauperism may be greatly diminished, poor-rates to a very considerable extent reduced; and not only the prosperity, but the morality of the nation advanced. In large towns, indeed, where no savings' banks are established, and no habits of saving cultivated by the laboring population, high wages in many cases produce an effect quite the opposite of that which they ought to produce; they have a decidedly injurious tendency on the general morality of the population.

The habit of saving engenders a feeling of independence of a highly favorable tendency; and it is none of the least attractive features of savings' banks, that they place within the reach of the industrious the means of *elevating themselves*. The consideration that they have attained to comparative comfort by no unmerited favor—no importunate solicitation—no crouching submissiveness—but by their own unaided industry and prudence, tends to excite in the bosom a sense of independence, which proves a guarantee for many kindred virtues. Accordingly, a writer, of ample opportunities for observation, remarks, that "he never knew an instance of one who had saved money coming to the parish."

Obvious as are the advantages now attending the investment of the funds of savings' banks, whereby national security is obtained, objections have been taken against this feature of the system. It has been urged, that as the

money is sent to London in order to be invested in the public funds, it is withdrawn from the place where it has been contributed. The objection has thus no better foundation than the gratuitous assumption that the money would be better employed at home. But, in the first place, would the money be saved at all, if the banks did not exist for its accumulation? It is obvious that the banks are the sources of accumulation; they are the producers of capital which would not otherwise have been called into existence, and thus give rise, in the subsequent employment of that capital, to productive industry. But, further, no man will place his money in the savings' bank, if he can procure for it a more profitable investment; and should a better investment offer, after he has placed it in the bank, we are warranted in concluding that it will speedily be drawn out again. Savings' banks, therefore, afford an investment for money which could not be otherwise so profitably employed; and the objection in question is not more applicable in this case than in any of the other numerous cases of daily and hourly occurrence in the course of trade, where money is sent to a distance, because it can be more profitably employed there than at home.

It has been also objected, that the money passes into the possession of the government—that depositors have only the security of government—and were a revolution to take place, the funds would be lost, the savings' banks become insolvent, and the depositors suffer. But this objection also is based on a groundless assumption; the money does *not* pass into the possession of government, but into the hands of the commissioners for the reduction of the national debt, who employ it in the purchase of stock. It no more goes into the hands of the ministry than the funds of any of the private individuals who are daily purchasing stock. As we have seen by the act, the commissioners are obliged thus to invest the money, and to return a proper voucher of the transaction to the savings' banks. But though the government does not, and *cannot* appropriate any of the funds, it becomes security for them to the depositors. And what higher security can be had? Do not private individuals of all ranks daily invest their money on such security, by the purchase of government stock? And the vast numbers who are now more deeply interested in the peace and security of the country than at a former period, by investing their money in the savings' banks, is an additional guarantee for the continuance of the established order of society. The security afforded under the present system is, in fact, no less than that of the *British empire*; and he who is not satisfied with this, will, it is to be feared, find no security which will be, in his eyes, sufficient. The savings of the industrious are rendered as secure by our savings' banks as at present constituted, as are the riches of the opulent merchants of London in the Bank of England.

Such being the objects and advantages of savings' banks, it becomes the duty of all, but especially of those who occupy stations of influence, or who, from their position, have peculiar opportunities of intercourse with the industrious classes, to bring frequently and prominently before them the invaluable purposes which this simple scheme is calculated to effect, and to assist them with their information and advice, as well as by their exertions. Let employers recommend the savings' banks to the employed, and they will find an ample reward, not only in "the luxury of doing good," but in the reflex results which will arise to themselves, in the improved condition and elevated character of their workmen. In this way a great amount of good may be accomplished by the proprietors of factories and other public works where numbers are employed. Masters of every description should bring the savings' banks under the notice of their servants, whether mercantile, agricultural, or domestic. Parents also are, by means of the savings'

banks, furnished with a valuable auxiliary, in training their children to economical and provident habits; and clergymen, from their position in society, have within their reach the accomplishment of much good by the establishment of savings' banks, where not previously established, within their respective spheres of operation; or by lending them their countenance and support, where already in existence.

Above all, let the classes for whom these institutions are specially intended, *themselves* step forward, and by extensively availing themselves of their advantages, lay the foundation of competence and comfort. Let them avoid the too prevalent and fatal error of waiting till they have *something worth while*, something *respectable* before they go to the savings' bank; a *beginning* is a great point achieved. There are few who could not become at least *shilling* depositors; let them go with their shilling; it will be as willingly received as a pound; another and another shilling will swell the amount, which will be always accumulating, while the mental habit is at the same time acquiring strength. On such slender beginnings have been frequently raised a superstructure of comfort and independence which has proved an ample compensation for former frugality and self-denial. "Five-and-twenty years ago," says a popular journal, "the writer of this had not five shillings in the world, and had not a single friend to help him—he was unknown, and steeped in penury. Now that he is surrounded with comforts, nothing strikes him as so remarkable as seeing persons going about who have not advanced one inch during the whole five-and-twenty years, and who were exactly on a par with him as to poverty, occupation, and resources. The only cause which can be assigned is, that *they have daily consumed what they have daily made*, while he who writes entered into a regular practice, to which he pertinaciously adhered, of not consuming all that he earned. No man can 'both eat his bannock and have it.'"

Let it not be said that the general resort of the working classes to savings' banks would generate niggardly and selfish feelings. Such may, indeed, be the result in a few isolated minds originally predisposed to such feelings, but there is no reason to suppose that savings' banks ever have been, or ever will be, the means of introducing or strengthening such feelings in the minds of the mass of the population.

Let every industrious man, then, foster the honest and laudable desire of improving his condition by economy and self-denial. Let him at once form the resolution of resorting at regular intervals to the savings' bank; let him *there* establish the foundation of future comfort, the basis of self-procured independence. Then he walks abroad another person than before: high and generous impulses, formerly unknown to him, spring up in his bosom, he feels the kindling aspirations of a new and honorable ambition—he becomes elevated in the scale of being—physical, moral, and intellectual.

LIFE-ASSURANCE.

The Principles and Practice of Life-Assurance. By John Sturrock, Jr. Dundee: 1846.

Within the compass of a small pamphlet, Mr. Sturrock discusses very ably the principles and practice of life-assurance, using such terms as all can understand.

Observing the ignorance generally displayed by individuals who apply at life-assurance offices, he very properly sets out with explanations. "The person applying to any office to get his life insured, must, as a preliminary and indispensable step, satisfy the company that his life is, in common

phrase, a good one—or, in other words, that the state of his health and constitution is such as to make the company believe that he will live to the average age—that is, to the age which persons at his time of life generally attain. For this purpose he is required to sign a proposal to assure, and to give a reference to his medical attendant and to an intimate friend, who have known his state of health and habits of life for a number of years, and who must report thereon to the assurance office. In addition to the evidence thus required to be furnished by the person proposing to effect the insurance, the company, for their further security, employ a medical officer to make inquiries, and use such other means as they deem proper, that they may completely satisfy themselves of the goodness of the life offered for insurance. If the result of the inquiry is unsatisfactory, the assurance is rejected; but if it be in every respect satisfactory, and lead to the conclusion that the life of the applicant is really a good one, the assurance is accepted. The assured then agrees, on the one hand, to pay to the company, according to his age at the time of entry, a certain fixed sum (or premium) during every year of his life; and the company, on the other hand, bind themselves to pay to his representatives, on the occasion of his death, at whatever time it may happen, another much larger fixed sum. These are the usual terms of the assurance contract; but they may be varied to suit the views of the different assurers.”

In the middle ranks of life, few have much capital to stand for the benefit of their families, in the event of their early decease; but most have incomes. By devoting a portion of the latter in the way of life-assurance, the head of a family can make sure that, die when he may, even were it the day after his first annual payment, his widow and children will be endowed with a certain amount of means. Life-assurance is therefore one of the humane agencies attendant upon our present system of civilization, and it ought to be encouraged by all philanthropic persons. There are, however, many modes of conducting this business, some half-obsolete and bad, others more fair and advantageous, and it may therefore be of much importance to an individual that he chooses a right office.

Mr. Sturrock, like ourselves, condemns the proprietary companies. In the infancy of the system, capital was necessary, and a remuneration for its risk was fair. Now, the absence of all risk being ascertained, life-assurance is no fit subject for mercantile speculation. “When such companies,” says Mr. Sturrock, “are announced to the public (and the principle applies equally to pure or mixed proprietary companies,) the greedy capitalist is eagerly invited to become a partner, by showing the universally large profits such companies make, and that the stocks of similar societies are selling in the public market at profits from one to some hundreds per cent. As soon as the company is established, such public announcements of profit immediately stop. It is no longer how profitable are such investments, but the constant tale to the public is, see what a large capital we are risking for your benefit. Such a procedure is, to say the least of it, an outrage upon common sense. Will not the public see that the large profits these companies announce, and pay to the shareholders, is just the measure of the gain taken out of their pockets—it is not too strong to say, upon false pretences?” What use of mincing terms? A proprietary life-assurance office is a mercantile lie, and nothing else. Let such, we say, be avoided. Even those called mixed offices, which admit assurers to a share of benefits, are only reprehensible in a less degree. It is the more necessary to speak strongly, because the keenness of a trading interest makes these companies extremely active, and they usually secure a proportion of business in the inverse ratio of their deserts.—*Chambers’ Journal.*

THE COINS OF ENGLAND.

Continued from page 34.

WILLIAM AND MARY AND WILLIAM III, 1688 TO 1702.

The same style of coinage in its general appearance, fineness, and weight, was continued at the commencement of these reigns. The profiles of the king and queen are shown one over the other on the obverse of all the coins, surrounded with "Gulielmus et Maria, Die Gratia," and are well executed: most of them have four shields arranged as a cross on the reverse, with the Nassau arms in the centre, and "W. & M." interlaced in the angles; but some have a simple crowned shield, with the arms of Nassau on an escutcheon of pretence. The Maundy money has the profiles of the king and queen, with short hair, without drapery, and numerals on the reverses, as previously. The latter small coins, after 1692, are not so well executed, and it is supposed that the Roettters, who still worked for the mint, engraved the first, but not these latter specimens. Notwithstanding these issues, the general coinage had fallen into a bad state, and much old hammered money (still in circulation) had become thin, and was counterfeited. These circumstances called down the attack of Fleetwood, bishop of Ely, as a similar state of things, in the reign of Edward VI, had excited the indignation of Latimer. Fleetwood exclaimed, in a sermon preached before the Lord Mayor at Guildhall—"The cry will be like that of Egypt, loud and universal; for every family will be a loser; but it will fall severest upon the poor, who from a little can spare none:" and another preacher, seeking a simile between the debased coinage and the laxity of religion, said—"Our divisions have been to our religion what the shears have been to our money," &c.

After the death of the queen, in 1695, the king, who continued to reign by the title of William III, determined on taking into consideration the bad state of the coinage, (partly owing, as has been stated, to much of the old hammered money being still in circulation, which being worn and clipped, was now below half its value,) and restore its general character. A tax was therefore laid upon dwelling-houses, to raise the sum of £1,200,000, to supply the deficiency of the clipped money; and in order that there might be as little delay as possible in carrying a complete new coinage into effect, mints were established at York, Bristol, Norwich, Exeter, and Chester, the coins of each mint being respectively marked with the initial letter of the name of the place. By means of the assistance of these country mints the new coinage was completed in two years. The high feeling of the king upon this subject, and his determination to obtain the best opinions and guidance in the matter, are strongly exemplified by the fact of his appointment of the illustrious Newton to the post of the master of the mint, which, however, did not take place till 1697. Nearly 7,000,000 of silver money were coined during the years 1696 and 1697; by far the greatest portion of which was minted at the Tower. Besides the letters indicating the places of mintage, some of the coins had marks, such as the rose, indicating that the silver came from the west of England; plumes, Welsh silver; and the elephant and castle, indicating metal from the African company. These marks were generally placed in the angles between the shields.

But the silver coinage was still insufficient, and continued so for twenty years afterwards, for in 1717, in the reign of George I, Sir Isaac Newton, who was still in office, said in his report, "if silver money become a little scarcer, people will, in a little time, refuse to make payments in silver with-

out a premium." On the new coinage the king's bust appears alone, surrounded by "Gulielmus III, Dei Gratia:" the reverse has the four shields as before, but without W. or M. in the angles, and all the pieces are alike, with the exception of mint marks. The Maundy money was as before, with the obvious exception of the king's bust being alone. The few rare varieties that occur in collections, it is supposed, were only patterns. The shillings and sixpences varied slightly towards the close of the reign, in having the features of the bust a little more strongly marked, and having the hair more upright on the forehead. The year of the reign was marked on the edges of the larger pieces. The most absurd enactments were passed in this reign, with a view to remedy the scarcity of gold—"No gold was to be worn as ornaments during the war, &c." In the reign of Charles II it had been enacted that no gold should be used in gilding carriages.

The guineas at one time rose in this reign to the value of 30s.; though pieces of equal weight and fineness could be purchased in Holland for 22s.; but an enactment reduced their value to 26s., and afterwards to 22s. These mere arbitrary enactments causing the greatest confusion, and it being eventually found that, on the continent, gold bore a value as 15 to 1 of that of silver, it followed, that to preserve something like that proportion, 21s. 6d. was sufficient for the guinea, and it afterwards passed at that price, and this measure to a small degree, prevented the great export of silver for the purchase of gold.

The copper or tin coinage of these reigns did not vary much in character from those of Charles and James, but the half pence of William III, 1699, show the Britannia, with the right leg crossed, like that on the farthings of Charles I, but in this case the leg is draped and not bare. The tin half pennies and farthings have a plug of copper in them. In 1593, Andrew Corbel obtained a patent for making copper half pence and farthings, for payment of £1,000 per annum, upon which it appears the patentee would have a profit of £18,000 in the nine years of his patent, but the patent was taken from him in the following year.

On some of the patterns preserved which were essays for the copper of these reigns, we find the queen's head on one side, with "Maria II, Dei Gratia;" and on the other side, the king's head, with "Gulielmus III, Dei Gra.," on others, the queen's head, and "Maria II, Dei Gra." on the obverse; and on the reverse, a rose, with "Ex candore decus." Of William III there is a pattern farthing, half brass, with a sun on the reverse, and "Non devio." These half brass patterns look like the half of a sovereign and the half of a farthing stuck together, showing half the face red and half yellow.

ANNE, 1702 TO 1714.

The coins of this reign are of the same fineness, weight, and denomination as those of the last. The devices are also the same, with trifling variations: the bust of the queen, on the obverse, is turned to the right; the hair is simply bound by a fillet, and the shoulders clothed in a light drapery, fastened in front with a stud or rosette: the legend—"Anna Dei Gratia:" the reverse has the shields arranged as a cross, with the star of the Garter in the centre, instead of the arms of Nassau of the last reign, and date and titles, "Mag. Br. F. R. et Hib. Reg."

The slight variations alluded to are the marks denoting the sources from which the silver was derived, some having the plumes for the silver of Welsh mines, and some the roses for west of England silver; also some with both marks, denoting that the silver was mixed. Others have the word "Vigo" under the queen's head, in commemoration of the capture of Vigo

and the Spanish galleons, from the treasure of which the silver of those coins was derived. In some the fillet in the hair is rather differently arranged. This trifling change took place in the coins issued after the government union with Scotland, from which time the coinage of the two countries was assimilated in every respect, and the separate Scottish coinage, with distinct national emblems, which had continued from James I to this time, was abolished.

The only distinction, now, of the Scottish coins, was the letter E., for the Edinburgh mint, under the queen's head. Those coins with the E. were the last coins produced away from the Tower. The arms of the reverses were slightly changed at this time, and those of England and Scotland, instead of being on separate shields, were impaled together on the first and third shields, those of France and Ireland occupying the second and fourth. The larger pieces have the year of the reign on the edge—as "Anno regni Quinto," "Sexto," or as the year might be.

Of the coins of the short but prosperous reign of Anne, it may be said that they mark another epoch in the good coinage of English money. Charles I, by his natural taste for art, had done much for the design and execution of the coin. The spirited conduct of the Commonwealth and Cromwell had imported foreign skill, and with its aid carried the coinage of the country in perfection of execution even beyond that of neighboring nations. In the reign of Queen Anne great attention was again paid to the execution of the coins, and great public interest seemed to be roused to the importance of those national monuments, as will be seen from the following suggestion to the government of the time by Dean Swift. He proposed that the half pence and farthings, after the union with Scotland and the perfect assimilating of the two countries, should be entirely recoined, and that "1st. They should bear devices and inscriptions, alluding to the most remarkable events of her majesty's reign; 2d. That there be a society established for finding out proper subjects, inscriptions, and devices," with other excellent suggestions and remarks. "By this means," he said, "medals that are at present only a dead treasure, or mere curiosities, will perpetuate the glories of her majesty's reign, and keep alive a gratitude for great public services, and excite the emulation of posterity." To these generous purposes nothing can contribute in so lasting a manner as medals of this kind, for they are of undoubted authority, not perishable by time, nor confined like other monuments to a certain place: the combination of these properties is certainly not to be found in books, statues, pictures, buildings, or any other records of illustrious actions. The great interest of such records on coins is fully shown by the coins of the Romans, who so fully appreciated this mode of commemorating great events. Nothing, however, was done upon these useful and patriotic suggestions, though they were warmly entertained for a time, and some patterns actually struck. "But if," observes Ruding, "the Dean's project had been carried out, it would have ennobled our coinage, and have elevated it far above the rank of a mere medium of commerce."

Her gold coins were five pounds, two pounds, guineas, and half guineas: the devices are the same as those on the silver coins, with the exception of the sceptres on the angles of the cross.

The queen's fastidious modesty in insisting upon the drapery about the bust, caused her gold coins so closely to resemble the silver, that shillings and sixpences were gilt and passed for guineas and half guineas: the only difference being that the guineas had a lock of hair proceeding from the nape of the neck, and lying over the right shoulder on the right breast. Another mark, by which these false guineas might be detected, was, of course, the sceptre on the reverse.

Of copper none at all was issued during the reign; and the Queen Anne farthings, of which so much has been said, were only patterns, and never issued; they are, however, not excessively rare, the one with sunk letters being the most scarce.

Among the patterns of farthings is a fine one with the bust well executed, and Anna Augusta for the obverse, and a victory in a war chariot, with the motto "Pax missa per orbem," on the reverse (1713,) probably struck with a view to commemorate the general peace. Others have the figure of Britannia, like that on the farthings of Charles II, but placed in a decorated niche. This is called the canopy pattern. Some of these patterns are struck in gold. There is a pattern half penny, among others, having on the reverse a small Britannia, holding a sprig of rose and thistle on the same stem: above the figure is a large crown.

GEORGE I, 1714 TO 1727.

The coinage of this reign remained the same in weight and value as in the preceding one, the bust of the king was executed in the conventional style of the time, with mantle and Roman armor, and is turned to the left. The legend on the obverse contains the titles as well as the name, with (for the first time as a permanent addition) "defender of the faith, fidei defensor, abbreviated like the rest, as Georgius D. G. M. BR. FR. et Hib. Rex. F. D." On the reverse his German titles appear; as "Brunsvicensis et Lunenburgensis Dux Sacri Romani Imperii, Archithesaurius et Elector," abbreviated as "Brun. et L. Dux S. R. I. ATH. et EL." His own arms are not placed in the centre like those of William III, but occupy the fourth shield. The marks indicating the derivation of the silver are continued as in the preceding reign, some having also S. S. C. for that received from the South Sea Company, and some a plume and linked C's, for a Welsh copper company. The large pieces have on the edge their date, and that of the year of the reign, as "1718 Quinto," &c.

The Maundy money has the bust, with "Georgius Dei Gra.," and the reverse a crowned numeral with the king's English titles only. It is a rather disgraceful fact to English skill, that in this reign the coins executed in the petty state of Brunswick for circulation in the king's foreign dominions are far better in execution than the English ones. They are of similar device.

Of the scarcity of silver in this reign much has been said. It was certainly insufficient for the circulation required. Many distinguished men were consulted on this and other matters connected with the coinage; and in 1717 Sir Isaac Newton, still master of the mint, in his report previously alluded to, stated "if silver money should become a little scarcer, people would refuse to make payments in silver."

The copper coinage was much extended in this reign; above £46,000 worth was coined in 1717, the pound avoirdupois being coined into twenty-eight pence. The Britannia on the half penny now became more like that of the Roman coin from which it was originally taken. Some patterns dated 1724 have Britannia leaning upon a harp instead of a shield, probably a pattern for an Irish coinage.

GEORGE II, 1729 TO 1760.

No change took place in the weight, value, &c. of the coinage during this reign. The king's head was again reversed, as had now become customary, and his bust consequently turns to the right, with simply "Georgius II, Dei Gratia," as in the reign of his father, with the exception of a change in the

arrangement of the title, which now runs thus: "M. B. F. et H. Rex. F. D. B. et L. D. S. R. I. A. T. et R.," being merely a new abbreviation of the English titles, followed by a still more close abbreviation of the German ones. Some alteration was made in this reign in the pattern of the milling at the edges of shillings, sixpences, &c.; for although the milled edge had put a stop to the old clipping system, filing was now resorted to for robbing the coin; by which means, after a portion of the edge had been removed, the upright or diagonal lines might be restored by the file. To remedy this evil, a serpentine line, very difficult to imitate by the file, was adopted about 1740. In addition to the previous marks indicating the source of the metal, the word *Lima* occurs on those of his coins minted from the silver captured either by Lord Anson, in the great *Acapulco Galleon*, or, as some think, by the Prince Frederic and Duke privateers. Some have an elephant for the silver brought by the African company. The Roman armor at the shoulder differs from that of his father in having a lion's head for ornament.

Of the gold coins, the quarter guinea was omitted in this reign. Up to this time, a number of the old hammered coins of James I, Charles I, and Charles II, were still in circulation, as broad pieces, an appropriate name for the old thin rials and angels. Their circulation was now forbidden by enactment.

The principal gold coins minted were guineas and half guineas, only a few five pound and two pound pieces being struck. The guinea was, by proclamation, in 1737, raised to 22s. 9d., and foreign gold coins passing in this country, principally Portuguese, settled at proportionate rates. The designs of the reverses of the gold coins were changed in this reign, and the old garnished shield, somewhat varied, again adopted, in place of the four shields disposed as a cross. The disposition which was thus abandoned on the gold, was, however, continued on the silver coins.

The first coinage of copper half pence and farthings in this reign was under warrant of Queen Caroline (in 1738,) for the time, guardian of the realm. There were forty-six half pence coined out of the pound *avoirdupois*: though the false coining of gold or silver had been made high treason, the coining of copper money was only deemed a misdemeanor, and the increased penalty of this reign only made the punishment two years' imprisonment; which slight punishment, in comparison to that respecting gold and silver coins, was perhaps one cause of the great quantity of false copper money now sent into circulation. Birmingham was the chief seat of these illegal mints, though destined afterwards to become the legitimate spot where the whole copper coinage of the country was to be for a time carried on. Up to this time, however, the copper coinage appears to have been a temporary expedient only. No monies were worked in this reign but at the Tower and in the king's German dominions.

The copper coinage of George II presents no remarkable feature.

ENGLISH COINS FROM GEORGE III TO VICTORIA, (1760 TO 1837.)

This prince on succeeding to the throne of his grandfather did not meddle with the silver coinage, although the currency was scanty in amount, and of decreased value, from excessive wear and filing, which all the precautions of the last reign had not been able effectually to prevent. In 1762 and 1763 a small amount of coin (£5,791) was issued, but of what denomination is not stated. In this coinage, and till 1787, one pound of silver of 11 oz. 2 dwts. fine to 18 dwts. alloy, was coined into 62 shillings. But Mr. Hawkins supposes it was not from dies of George III, as no coinage (except the Maundy money) was issued with his portrait before 1763, when shillings to

the amount of £100! were struck for distribution to the populace of Dublin, when the Earl of Northumberland became lord lieutenant of Ireland. A coinage, however, was in contemplation, as evinced by the pattern shilling of 1764. In 1780, a proposal was made, but without success, to take the coinage out of the hands of the sovereign, abolishing the mint establishment, and vesting the power of coining in the Bank of England.

It seems almost impossible, however, to conceive that still no serious issue of silver money took place till 1787, twenty-seven years after the accession of the king, more than the average length of a long reign; and yet, in 1772, the bad state of the coinage offered such temptations to forgery, that £1,136 was granted over and above £600 per year allowed in George II, for prosecuting forgers.

The year 1787 was marked by an issue of £55,459 in shillings and sixpences, the king's bust appearing much in the same modern Roman style as that of his predecessor, but stiff and less bold in execution, though an improvement on the shillings of 1763. These shillings resemble on the reverse, both in type and legend, those of George II, except that in the last mentioned the crowns are between the shields instead of over them. As the silver pieces in circulation in this country at the time were all light, and worn quite smooth, the new issue soon found its way to the melting pot, being worth considerably more than the old shillings: but all these small batches of new coins soon disappeared, and the currency became gradually more and more scanty and depreciated, without any great effort on the part of the government to remedy the evil.

This state of things was, inconceivable as it may appear, allowed to go on, getting gradually worse and worse, till the year 1803, when it was attempted to patch up the grievance by stamping Spanish dollars for circulation, with a mark like that used at Goldsmith's Hall for stamping silver plate. In the following year this stamp was changed for a small octagon containing the king's head; and about the same time an arrangement was made with Mr. Bolton of Soho, near Birmingham, to stamp the entire face of the dollar with a device, by means of machinery, the result of the great invention in the application of steam power recently rendered practical by Watt.

In 1798, Messrs. Dorrien and Magen endeavored to remedy the great scarcity of silver money to some extent, by sending a quantity of bullion to the Tower to be coined on their own account, according to the act of Charles II, upon payment of certain dues. But after it was coined, the government of this unfortunate period, destined ever to be obstructive, caused it all to be melted down, on the plea that a coinage could not be lawful without a proclamation; so that this attempt on the part of the public to right the grievance themselves, was rendered unavailing by the government. These shillings, of which a very few specimens escaped the crucible, were, with the exception of the date, exactly like those of 1787.

A small issue of shillings, sixpences, and Maundy money, took place in 1797 and 1798, the heads on which are very much more beautifully executed than those of any other coins of the reign. Some consider them to have been only patterns: they are known among collectors as the wire money, from the very slender numerals on the Maundy pieces.

It was not till 1816, during the regency of the Prince of Wales, that it was determined to meet the difficulties of a new coinage. This event was, perhaps, more owing to the activity and energy of Messrs. Bolton and Watt, than to any initiative feeling on the part of the government: those gentlemen had, in the copper coinage confided to them in 1797, proved the efficacy of their vast machinery, and had scientifically considered all the principles upon which the coinage of a great nation ought to be conducted, especially as re-

gards its protection from the clipper and filer, and from the effect of legitimate wear and tear. The first safeguard was obtained by such further improvements in the milling of the edges as rendered manual imitation almost impossible: and the second, the protection of the impress, by preventing it from rubbing against other coins, was to a great extent effected by a rim round the extreme edge being raised somewhat higher than the relief of the device. Many beautiful and successful specimens were produced: and at length, by these facilities, and the arrival of the grievance at an insupportable height, the government was stimulated to meet the difficulty.

Messrs. Bolton and Watt erected machinery in the Tower similar to their own at Soho, and a new coinage began in earnest. The French revolution had worked great changes not only in politics but in art, in all Europe; and the new coinage was consequently in a totally different style of design to all previous ones.

The Parisian school, founded by David and his followers, had thrown off the fluttering pomposity of the modern Roman style, and aimed at copying even nature through the artistic medium of the statuesque simplicity of Greek models; and however full of exaggeration in itself, the new style led the way to a better and more natural school of art than that which sprung up about the period of Louis XIII, and had been growing feebly worse till the revolution of 1784; even more characterless in England than on the continent. The dies were executed for the new coinage by Wyon, and influenced by the general new feeling in art, he abandoned the conventional Roman armor and mantle, and produced a simple laureated bust, founded upon the style of the present antique models; those of Greece now furnishing the feeling rather than those of Rome, which, in the previous phase of art, had been filtered down to the most insipid conventional mannerism, which had now passed away under the influence of new and more invigorating influences.

The design now adopted was a laureated head, the bust undraped; too familiar to require description. The reverse was also changed, and the disposition of the shields as a cross finally abandoned. In February, 1817, the issue of the new half crowns, shillings, and sixpences, took place, and all who recollect that event can bear witness to the agreeable impression it produced, and the extraordinary beauty the coins appeared to possess, after the flat, bent, and battered bits of silver, of half their nominal value, that had been so long made to pass current as the coin of the realm. The old shillings were about one-quarter, and the sixpences one-third less than their proper value.

The pieces were, indeed, in mechanical execution, the finest that have ever been issued in Europe, and the artistic merit of the devices was very considerable.

One of the principal defects being a coarse, or perhaps brutal, expression in the face of the king's portrait. Crown pieces were soon afterwards issued, having on the reverse a device similar of the George noble of Henry VIII, but in the new school of art: the knight in armor being of course superseded by a classical naked figure in a Greek helmet. This attempt to exhibit on the coin some work of art of a class superior to the trivialities of heraldic blazonry, was made by Pistrucci, whose work did not, however, give the satisfaction it deserved, and was over severely criticised. This figure, it is said, of St. George and the Dragon, is nearly a copy from a figure in a battle piece on an antique gem in the Orleans collection; but several Greek coins I could point out might equally well have furnished the model. It is on the whole a spirited performance; but the improvement it might have effected in the style of art displayed on our coinage was completely swamped by the

petty jealousies and bickerings, caused by the introduction of Pistrucci (as a foreigner) to the mint. He had previously engraved a similar figure upon the twenty shilling gold coin of the new issue, now again termed a sovereign after a lapse of three centuries. The silver crown of George III is now getting scarce, and the handsome reverse, being better appreciated, collectors give from twenty to thirty shillings for well preserved specimens.

On the half crowns the armorial bearings are displayed on a simple shield, with the arms of Hanover on the escutcheon of pretence; they have on the reverse, "Britanniorum Rex Fid. Def.:" in the garniture of the shield are the letters W. W. P. for William Wellesley Pole, master of the mint; and W. for Wyon, the engraver; the edge is milled, and not lettered, as the half crowns of previous reigns.

The shillings were engraved by Wyon from a bust cut in jasper by Pistrucci.

The Maundy money has the new bust, but the crowned numerals as before.

On the issue of this new money, individuals received in exchange for old coins, new ones equal in amount to the nominal value of the old, the loss falling upon the general revenue. Twenty stations were established in different parts of London for effecting the exchange, which, with the assistance of the bankers, was carried through in an incredibly short space of time.

Of this great recoinage of 1817, when the style of the coins was totally changed as described, I do not think it necessary to give examples, as all the coins then struck are still in circulation, and beautiful and numerous specimens I hope in the pockets and cash boxes of all my readers.

The gold coinage of this reign was not quite so long neglected as that of silver. But, nevertheless, the issues were scanty and insufficient. In the year of the king's accession, a gold coinage took place, and there are guineas of this type with the date of almost every year between 1764 and 1774. It was principally of guineas and half guineas, some larger pieces being merely struck as medals. In the following year, quarter guineas were again struck as in George I. A subsequent gold coinage took place in 1770, when forty-four guineas and a half were coined out of every pound weight of gold, 22 carats fine to 2 carats alloy (crown gold;) seven shilling pieces were added to the quarter guineas in this coinage.

In 1774, the head on the guineas was changed for one resembling, though in poorer relief, a beautiful pattern afterwards referred to.

In 1787, a new gold coinage took place, and the guineas, known as spade guineas, appeared; they were so called from the shield on the reverse, which was quite simple and of the form of a pointed spade. The last date I have seen of guineas of this pattern is 1799.

Then comes the last guinea, that of 1813. It has the head in a more modern style, and the reverse is also of a totally new character, having the arms in a small circle enclosed in a "garter." The half guineas followed nearly the same course, the improved head appearing about 1774, and the spade pattern about 1787, but half guineas with the arms enclosed in a garter appeared as early as 1801. Guineas of this type were probably prepared at the same time.

The seven shilling pieces have on the reverse, a crown, but without a lion, as on the pattern to be referred to: the head on the early ones is very bad, but in 1804 it was changed for one similar to that on the half guineas. Next came the 20s. piece of 1817, now again termed a sovereign.

The wretched state of the coinage throughout the greater part of this reign, though it did not till the eleventh hour stimulate the government to any effectual remedy, yet produced a certain extent of activity in the preparation of patterns, and other such preliminary steps. The most remarkable gold

patterns prepared are as follows: First, a finely executed piece, dated 1772, the head of which is superior to that on any gold coin really issued up to 1817, though poorly imitated on the guineas from 1774 to 1787. Secondly, a curious pattern, called La Mahon's, or Lord Stanhope's pattern? the head is very poor, and executed in a wretched wiry manner, which it is said his lordship considered a style likely to wear well. This pattern has a curious border or edging by which it is easily distinguished.

In 1796, a pattern guinea was proposed by Messrs. Bolton and Watt, of the same design as the large penny they coined for the government in 1797, with the raised rim and sunk letters. It looks very well in gold.

There is a pattern seven shilling piece of 1775, with the rose, shamrock, and thistle, crowned, for reverse.

The Copper Coinage.—Copper received no more attention in the early part of this reign than silver. The following are the only remarkable events connected with it. In 1770, the sovereignty of the Isle of Man was purchased of the Duke and Duchess of Athol for £70,000, when copper was struck for circulation in that island, having for its device the three legs, the armorial device of the Isle of Man.

The general copper currency was in such a state about 1784, that private tokens were again tolerated. The tradesmen's tokens began with the Anglesea penny, and continued in a great variety, and form in themselves an interesting collection of medals, till suppressed by the lawful coinage of 1797; in the July of which year a contract was entered into with Mr. Bolton, of Soho, near Birmingham, for coining five hundred tons of copper in pences only.

The result of this contract was the production of the large, boldly executed pennies so abundantly current for some time afterwards. And so much better was this undertaking conducted at Soho, that, though Mr. Bolton included many things not mentioned in mint estimates, he coined more cheaply, and yet gained a profit. Indeed, so convinced was the government of his more acute views in the management of the undertaking, that they were glad to allow him to find his own copper for a subsequent coinage.

GEORGE IV, 1820 TO 1830.

The silver coins of this reign continued of the same value and denomination as the recent coinage in the previous reign. Most of the pieces have the initials of Pistrucci (B. P.) who engraved all the dies. The George and dragon was slightly altered for the crowns, being also somewhat larger. In 1824, the king disapproved of the likeness on the coins, and the bust of Chantrey being just completed, Pistrucci was directed to copy it in a series of new dies; but he declined imitating the work of another artist, and the dies after Chantrey's bust were consequently executed by Wyon: since which time Pistrucci has enjoyed a sinecure in his appointment in the mint. In these coins after Chantrey, which is a highly flattered likeness, the king is represented without the laurel, which, as an emblem of victory, was considered inappropriate, no war having taken place in his reign. It is a symbol that will most likely not be renewed. These pieces with the reverse engraved by Merlin are very beautiful; and a great improvement on the last coins was effected in the armorial bearings, by leaving out the lines indicative of the color of the respective fields, which rather confused the effect of the design of 1817 and succeeding years.

A reverse for the shillings was adopted in 1825, consisting of a sprig of rose, thistle, and shamrock, united under a crown. It had been proposed for gold seven shilling pieces in 1775, but only patterns were struck.

The Maundy money has the bust like the early coins of the reign, the new bust never being adopted for these small coins; the reverse has the numerals crowned between branches, and the date. Particulars respecting the slight differences of each separate issue appear superfluous in this place, particularly as most of the coins are still in common circulation.

The gold underwent similar reforms as to the head of the king, the flat laureated head by Pistrucci giving place to Chantrey's head by Wyon; and there are double sovereigns, sovereigns, and half sovereigns of this type. The double sovereigns are most beautiful coins, the head in bold relief, and very simple and grand in effect. Larger pieces were struck, but not for general circulation.

The copper coins underwent similar alterations; the old Britannia becoming a more Minerva-like figure, with a Greek helmet, and the Chantrey bust without laurel was adopted on the late pennies, half pennies, and farthings.

WILLIAM IV, 1830 TO 1837.

The Duke of Clarence ascended the throne on the death of his brother, and arrangements were made for a new coinage, exactly on the same principles as those of the last coins of the preceding reign.

Pattern crowns, issued only in small number for the cabinets of collectors, had the arms on the reverse, in a plain shield displayed on a mantle of ermine. The half crowns, of the same pattern, with slight exceptions, were issued for currency.

The shillings were issued with no armorial device, but with simply "One Shilling" on the reverse between a branch of oak and one of laurel: a device affording perhaps still less scope for the talent of the artist than even the armorial bearings. But as long as the office of master of the mint is conferred upon some political adherent, without regard to his fitness for its duties, little reform in the style of art adapted to the coinage can be expected. The Maundy money of this reign has the numerals, between similar branches of oak and laurel to those of the shillings.

The groat, or four penny piece, was again issued for currency in this reign, and proved a very useful coin. The reverse is similar to that on the recent copper coins, being Britannia helmeted, with trident, and the legend is "Four Pence."

The gold coins for circulation were like the last pieces of George IV, having the head without a laurel wreath, and very beautifully executed by Wyon; indeed, a perfectly new impression of one of the sovereigns of this reign is a very beautiful memorial of the art of the period. There were only sovereigns and half sovereigns, the five pounds and double sovereigns being only coined in small numbers, and principally issued among collectors.

The copper coins remained pennies, half pennies, and farthings, and were modelled after those of silver and gold—the head being like those of George IV, without the laurel; the reverses had the figure of Britannia like those of the last reign.

VICTORIA.

The death of the late king in 1837 brought the Princess Victoria, daughter of his brother, the Duke of Kent, to the throne. No crowns have as yet been issued. The half crowns have a very pleasing portrait bust of the queen, engraved by Wyon, from a wax model taken by himself from the life. The reverse has the shield, crowned between two branches of laurel. The colors are again expressed in the arms by lines in different directions in

the usual heraldic manner—which is certainly not an improvement. The half crowns were not issued for two years, many causes of delay occurring. The shilling resembles that of the preceding reign, the reverse having “One Shilling” between oak and laurel branches. The sixpences have the same types as the shillings.

The Maundy money has the portrait like the groat (or four penny piece,) but the reverses have the crowned numerals as previously. The groat is still coined for circulation, having the figure of Britannia on the reverse as in the last reign. The gold coins are only the sovereigns and half sovereigns, with the same head by Wyon on the reverse. The larger pieces were only struck as medals; which may be procured by the curious on application at the mint. A pattern has, however, just been issued of a £5 piece, which it is said is intended for circulation. It has a fine head of the queen on the obverse, and, on the reverse, as a step towards a greater display of art, a beautiful symbolic figure of Una and the lion. This idea, however, appears somewhat far-fetched, and but little appropriate.

NATURE OF CAPITAL AND FUNCTIONS OF MONEY.

From the *London Economist*.

Continued from page 12.

THE OPERATION OF A PURELY METALLIC CURRENCY.

If we used only a metallic currency, the business of the Bank of England would be precisely the same as that which is now conducted in the banking department. The issuing of paper constitutes no necessary part of the business of the Bank of England or any other bank. The business of all banks in such case, which would be the same as many banks at this moment, would be to receive deposits of money from the public, for its safe keeping, and, as their agents, to make whatever payments they ordered. But, as a banker must incur a great expense for the convenience of his customers, he is allowed to use such portion of his deposits in discounting bills, or in holding interest bearing securities, as he can, with safety to himself, considering his liability to repay these deposits on demand. By this means the banker acquires a fund, in addition to his own capital, from which he can advance money to such of his customers who require to borrow it, taking what he considers good security for its repayment; and the profit which he thus derives, enables him to perform the business of his customers without any charge. It is, however, evident that the first consideration for a banker must be, that he at all times keeps such a quantity of his money unemployed as will meet any probable demand upon him—that this quantity must have a reference, first, to the entire amount of deposits which he holds, and next to the circumstances which at any particular period renders it likely that his customers will require more than usual of their money.

With a purely metallic circulation, the Bank of England would have its own capital and the deposits of its customers only to deal with. The deposits would be made in coin only (or in bullion, by an arrangement for that purpose, by which the bank would receive bullion at a small reduction from its value in coin, to pay for the trouble and loss of time in sending it to the mint to be coined, as at present.) In addition to its own capital, the bank would use such portion of its deposits as experience proved to be safe and

prudent, in public securities and in discounting bills of exchange. The deposits of the bank in this case would vary as they now do, just in proportion as the unemployed money of the community increased or diminished. Gold is a commodity which is imported only, like other commodities, when it offers to the merchant the greatest inducements. As long as wool, or silk, or tallow, or any other commodity is scarce at home, and offers a profit to import, no merchant will buy bullion; but when the stocks of all other commodities are so full, that the prices at home are such that it will not answer the purpose of the merchant to import them, then he has recourse to bullion as the most profitable return. So that bullion is never imported except when the stocks of other commodities are large, and their relative prices in this country and others such as will not remunerate the importer. Then bullion is taken as the best mode of balancing the exchanges. The merchant, importing gold, places it in the Bank of England, as the merchant importing wool places it in the London docks. But the use which the bank may make of the gold while they hold it, enables them to do so without any charge for rent or risk; while the dock company, having no use of the goods placed in their hands, charge a rent. The process, therefore, of an increase of deposits in the bank, would always infer a great increase of the stock of other commodities beforehand; that is, in short, a general abundance of capital. A decrease of the deposits of the bank would infer exactly the opposite state of things. If we required to import commodities from abroad, we should first send such other commodities as bore a profit, the price of which, from their abundance here, was less than the price abroad; and it would not be until our general stocks of other commodities were so much reduced, and the prices were so high, that no profit would be derived from their export, that gold would be sent to make a foreign payment. So that, as an influx of gold implies a great abundance and low price of all other commodities, so an export of gold implies a great scarcity and high price of all other commodities. As a commodity, the price of gold is so uniform in all places, and at all times, that it is seldom used as an article of commerce between nations, except under the peculiar circumstances described; or, in other words, to balance the exchanges of other commodities. When, therefore, the deposits in the bank were increasing, it would be an evidence of a great abundance of those commodities which constitute the floating capital of the country, and when they were decreasing, it would be an evidence of the great scarcity of such commodities.

The deposits held by the bank would be a fund altogether different from the coin in circulation, over which the bank could exercise no *immediate* control. Suppose a community required a circulation of twenty millions to perform its internal operations of business, and that that quantity of coin was in circulation. There would be no possibility, on the part of the bank, of increasing that amount of circulation, as long as only the same amount of transactions were performed, for no one would take money from the bank, and pay interest for it, to keep it idle in his possession. If, under those circumstances, the bank were able to increase the amount of their advances, by discounting more bills than were sufficient always to return into the channels of circulation, the same amount as flowed in from day to day, either as payments of former advances falling due, or as deposits on private accounts, or in payment of the revenue of the state, always supposing that the circulation had been exactly sufficient for all internal exchanges before; then such further advances made by the bank could only be, either for the purpose of transmitting the bullion abroad, or for the purpose of using it as an article of manufacture, for plate or ornaments. Such advances, therefore, would not add to the circulation, but would be a reduction from the capital

of the bank, until replaced, when the security on which the advance had been made became due. And as the bank cannot add to the circulation by merely increasing its usual advances, so neither could it diminish the circulation by withholding such usual advances, as long as so many persons held deposits with their bankers, upon which they could draw at pleasure. Any attempt on the part of bankers to contract the circulation below the required amount, would immediately lead to a reduction of the deposits; and until such deposits were reduced to the lowest point, would prove unavailing. We are all along referring to what would take place with a purely metallic currency. But there are means by which a larger circulation may be induced in the one case, and a smaller one in the other case. At a period of great plenty and abundance, we have already seen that the deposits in the bank would increase, in consequence of an import of bullion. The difficulty to employ the deposits to the extent to which the bank would judge it safe to do so, would induce it to lower the rate of discounts; and this at a moment, too, when the cheapness and abundance of commodities would be tending to create an increased demand for the manufactures of the country, owing to their cheapness; the two causes combining—a greater demand for cheaper commodities, and a lower charge for the use of money—would lead to a more extensive trade, and fuller employment; and thus the quantity of circulation required would be greater; but all that the bank can contribute towards such a result, is by reducing the rate of interest, which is of itself one of the component parts of the calculation of every commercial operation.

The way in which a contraction of the circulation, were it purely metallic, would take place, would be as follows—and to this part we claim especial attention, as being very important to our considerations hereafter. We have already shown that an export of gold takes place when we have such a diminution in the stock of commodities generally, that it becomes unprofitable to export them to a sufficient extent to pay for our imports. From whatever cause this security of commodities at home proceeds—whether from a very undue investment of the floating capital of the country in public works, which had stimulated an enormous consumption of everything, without reproducing the same commodities, or any thing that would exchange for them—or whether from a great deficiency in our own crops at home—or whether from a great deficiency of the crops, and, consequently, the scarcity and high price of those raw materials, by which our manufacturing industry is kept employed—or whether from all these causes combined—matters not; it is the most certain evidence of a diminished floating capital. At the commencement of such a period, let us suppose that the bank accounts stood thus:

Capital,	£14,500,000	Government securities,	£10,000,000
Rest,	3,500,000	Bills of exchange,	12,000,000
Deposits,	12,000,000	Bullion or coin,	8,000,000
	£30,000,000		£30,000,000

This would have been nearly the state of the bank six months ago, leaving out of consideration its issues of notes altogether, and supposing it existing under a purely metallic currency. The bank would have advanced 22,000,000*l.* of coin on government securities and bills of exchange, retaining 8,000,000*l.* unemployed as a reserve. But as their only liability would have been that of 12,000,000*l.* to depositors, the reserve of 8,000,000*l.* would be considered much too large, and a low rate of interest would be charged to try to employ more of it, probably *three per cent.* In this state of things, a period of scarcity has set in—our imports are increasing, and a demand for capital exists to pay for them. The bank is willing to discount at *three per*

cent. The first fund that merchants apply to, therefore, is the reserve of the bank, which generally sinks, while the bills under discount are increasing. The bank, finding the demand upon them increasing, raises the rate of discount; and they go on until they have reduced their reserve of coin to as low a point as they think it prudent to preserve against the liability of their deposits—say to 4,000,000*l.*; while their bills under discount have risen to 16,000,000*l.*—the sum of 4,000,000*l.* having been exported for corn. At this time the bank accounts would stand thus:

Capital,	£14,500,000	Public securities,	£10,000,000
Rest,	3,500,000	Bills discounted,	16,000,000
Deposits,	12,000,000	Bullion or coin,	4,000,000
	£30,000,000		£30,000,000

The demand is unsatisfied. Corn continues to rise, and more is imported and must be paid for. The bank is unable, with safety to its own solvency, and looking to the claim of 12,000,000*l.*, due to depositors payable at call, to allow any further reduction in its reserve fund. By a high rate of interest or by limiting discounts, a pressure is thrown upon the deposits, which consist chiefly of the reserve balances of various bankers and private persons, and as they are reduced to pay for the imports of grain, the bullion sinks in proportion. But it must be plain, that when the deposits had sunk to 9,000,000*l.*, the whole reserve coin, except 1,000,000*l.*, would be exhausted; and therefore, in order to prevent this great reduction, the bank would be obliged, during this operation, to limit its discounts daily to a sum much less than the amount falling due, so that, while its deposits diminished, the advances on bills should diminish likewise; or the bank would sell a portion of the public securities, but as they are generally, at such a time, at a low price, it is more likely that it would depend upon limiting its advances upon bills. Supposing that the bank held it as a rule not to be departed from, that it should hold at least *one-third* of its deposits as a reserve, then, to meet a reduction of the deposits to 9,000,000*l.*, a reduction must be made in the amount advanced on bills of 2,000,000*l.* At this point, the account would stand thus:

Capital,	£14,500,000	Government securities,	£10,000,000
Rest,	3,500,000	Bills discounted,	14,000,000
Deposits,	9,000,000	Bullion or coin,	3,000,000
	£27,000,000		£27,000,000

The pressure created by diminishing the discounts by 2,000,000*l.* at such a time, when a great demand for capital prevailed, would be intense. But, suppose the demand for foreign grain still unsatisfied, and the deposits finally sunk to 4,500,000*l.*—against which the bank would hold a reserve of 1,500,000*l.*—the bills under discount would have to be reduced, or public securities would have to be sold, to the further extent of 3,000,000*l.* The amounts would then stand thus:

Capital,	£14,500,000	Public securities,	£10,000,000
Rest,	3,500,000	Bills under discount,	11,000,000
Deposits,	4,500,000	Bullion or coin,	1,500,000
	£22,500,000		£22,500,000

During a portion of this time, while the advances on bills had been reduced from 16,000,000*l.* to 11,000,000*l.*, the amount of circulation, withheld by the bank's limiting the discounts, would be supplied from the sums withdrawn from the deposits. But in such a state of things, with a scarcity and high price of raw materials, with a diminished demand for goods, owing to the exhaus-

tion of people's means, for the payment of food, the trade of the country and the amount of employment would rapidly diminish; and with them the amount of circulation required. The amount of the circulation thus liberated would be used for the payment of foreign corn. Thus, with a purely metallic currency, in all cases the circulation would be acted upon last, and as an indirect consequence of other causes, both in the case of an import and an export of bullion—and it would only be in extreme cases that the circulation would be acted upon at all; for—in the case of an adverse exchange, which only went so far as to reduce the reserve of coin in the bank to the proper proportion to the deposits, and there stopped, a considerable export of bullion might take place, without any derangement of business, or any sensible contraction of the circulation. During an influx of bullion, the effect would be—

First.—To increase the deposits, and correspondingly the reserve of bullion.

Second.—To increase the securities, and, if discounts were not required, by advances on stock at a low rate of interest; and

Third.—By the establishment of a low interest ultimately to promote more active business, and to increase the circulation through advances on bills.

During an export of gold, the effect would be:

First.—To draw upon the reserve of coin in the bank (by discounting more bills,) which the bank held over and above the quantity required to protect their deposits.

Second.—To draw upon the deposits held by the bank, which could only be done, partly by a reduction of securities, and partly by a reduction of the coin in hand; and

Third.—As a consequence of these measures, and other causes, to contract trade and reduce the circulation.

So that, as Mr. Tooke has always contended, the first effect of an import or export of gold to correct the exchanges, is felt exclusively on the reserve of bullion held in the bank.

Such would be the operation of a purely metallic currency; and it will be seen, that under the circumstances supposed, of an adverse exchange, arising from the necessity of importing a large quantity of corn, at a time when our other commodities were much exhausted, a pressure of great magnitude must be experienced by the commercial classes; when a reduction of the amount of bills under discount becomes needful in consequence of a withdrawal of the deposits. And if it is not possible to avoid this evil under a purely metallic currency, how can it be expected to be accomplished by any contrivance with a mixed currency? The whole amounts to this—great ease is the accompaniment of abundance, and great difficulty and pressure, of scarcity, which cannot be remedied by any artifice which does not give greater abundance of commodities. By other schemes, the burden may be shifted from one shoulder to another, but it cannot in reality be lessened.

HOW CAN THE CURRENCY BE ECONOMISED?

Having shown that all the precious metals used as a circulating medium are so much of the wealth or the capital of the country, abstracted from reproductive uses, in order to be used as an instrument for exchanging other commodities—and having shown the practical operations of a purely metallic currency—we now come to consider how far cheaper substitutes may be used, and to what extent the expensive commodity of gold may be liberated, in order to add to the real and reproductive wealth of the country. We lay

it down as a clear and undeniable rule, that whatever substitute be adopted, it must be upon a principle which will secure to it an identity of exchangeable value with the coin which it represents; and that in all its changes, under any circumstances, it should be found to follow the same course precisely as a purely metallic currency would follow under similar circumstances.

We have already remarked that the most perfect instrument by which the currency can be economised, and by which gold can be liberated from an unproductive to a productive use, is by means of bank notes, to be used as a substitute for coin. But, in order that these bank notes should at all times be identical in value to the coin they represent, and express equally the value of commodities in relation to the adopted standard, it is absolutely necessary that they should be convertible, at the pleasure of the holder, into the coin they represent; so that whatever purpose the coin could serve might be equally well performed by the note, or if not—as, for example, a foreign payment—that the note would instantly, and without loss of time, command the coin itself. That such a condition attached to a bank note must at all times, while the condition is complied with, make it in every respect identical with the coin, is to us a self-evident truism; admitted, too, by all the first authorities on the subject. Adam Smith says:

A paper money, consisting in bank notes, issued by people of undoubted credit, payable upon demand, without any condition, and, in fact, always readily paid as soon as presented, is, in every respect, equal in value to gold and silver money, since gold and silver money can at any time be had for it. Whatever is either bought or sold for such paper, must necessarily be bought or sold as cheap as it could have been for gold and silver.

If there be any discrepancy of opinion on this subject among men whose opinions are worthy of respect, we think it more apparent than real.

From Sir Robert Peel's speech on the introduction of the bank bill, in 1844, it might be inferred that he doubted the efficacy of the mere convertibility, as a security against depreciation, and for constant identity of value between the note and the coin. But, looking to the provisions of the bill, it would rather appear that Sir Robert Peel did not so much dispute the principle itself, as that he considered some further restriction to be necessary in order to secure a fulfilment of the condition on which the note was issued—namely, payment on demand. We come to this conclusion from the fact, that the bill of 1844 depends on no other principle, against depreciation of bank notes, except convertibility at pleasure, though it does provide a guarantee that that convertibility shall be certain, by imposing the necessity of keeping a large reserve of coin against the notes issued. Now, no one will deny that *certainly* of payment on demand is a necessary condition to maintain an identity of value between a bank note and the coin it represents. But whether that certainty is derived from a faith in the ability of the issuer always to pay when called upon, or from a reserve of coin, held voluntarily by the issuer, or from the same being held compulsorily by an act of parliament, can make no difference. As long as the holder of the note is satisfied that he can at pleasure receive coin for it, it is the same value to him; and, when he doubts that fact, he carries it to the issuer for payment. So that, till the issuer actually ceases to pay, no depreciation can take place. We may then take it for granted that all are agreed that a *certainly* of convertibility at pleasure, from whatever that certainty is derived (which may be a proper subject for discussion hereafter,) is a perfect guarantee against depreciation of bank notes, and for their maintaining an identity of value with coin. If this be the case, then it will be readily admitted that all the fluctuations and changes which take place in a currency composed of coin, and

bank notes convertible into coin, must be exactly the same as would take place under a purely metallic currency; and, therefore, that such bank notes, so preserved, perform all the functions of a measure of value and a medium of exchange, as perfectly as gold. It is, however, quite plain that, in order to secure the convertibility of such notes into gold at all times, the issuer must hold in his possession, or the immediate command over it, such a stock of gold as will meet any probable demand upon him for the payment of such notes—the remainder being held in good interest bearing securities; and, therefore, only a certain portion of the gold, liberated by the substitution of notes, can be applied to other and productive purposes. By this substitution, the public gain in two ways—first, by the addition of such part of the gold thus absolutely liberated, to the general capital of the country; and, secondly, by the saving of the wear to which such coin is always subject.

Before we inquire how far we have availed ourselves of this great source of economy, by which the capital of the country is so much increased, we will consider how far some other countries have done so.

THE CURRENCY OF HAMBURG.

The commerce of Hamburg is conducted entirely by silver, without any economy whatever in its use as capital. They do, however, save the wear of the metal by depositing it in the vaults of a bank, and transferring it from one to another by means of written cheques on the bank. The plan is this: The Bank of Hamburg is exclusively a bank of deposit. It receives silver into its vaults, crediting the accounts of the depositor with the amount he pays. The bank possesses no capital, and, therefore, the silver in the vaults of the bank is always exactly the amount of the deposits. The depositors withdraw from or add to this amount of silver at pleasure. The commerce of the town is then carried on by cheques or orders, given by the buyer to the seller, which orders being paid into the bank, the amounts are transferred from the credit of one account to that of the other. The bank, therefore, neither discounts bills nor makes any advances whatever upon securities. Therefore, as the Bank of Hamburg has no means of making a profit by the use of any part of the bullion deposited with it, any more than the proprietors of the London docks have of using any part of the goods deposited with them, it becomes necessary that the depositors of the bank shall pay for this safety and convenience they derive in thus keeping their treasure. All the economy which the Hamburg people derive from banking, therefore, is, they save the wear to which the metal would be subjected if actually passed from hand to hand; but for this they pay certain charges to the bank. We do not know the exact amount of silver thus deposited with the Bank of Hamburg, but taking it on an average at 4,000,000*l.* sterling, then that amount of capital is entirely withdrawn from all productive purposes, for the facilitating of exchanges. Taking it, on an average, to be 4,000,000*l.*, and supposing that when capital is very abundant, it sometimes increases to 5,000,000*l.*, and, on the other hand, when capital is very scarce, it diminishes to 3,000,000*l.*, and never below it, we see how much banking capital is thus unproductively locked up, which might be usefully engaged in making advances on good securities, and in discounting bills of exchange. If the Bank of Hamburg kept at all times a reserve of silver equal to one-third of its deposits, the remainder might be used as active capital, and the depositors (it being a public establishment not seeking to derive a profit) would, in place of paying for the safe keeping of their capital, receive a certain amount of interest derived from its use. As a matter of fact, the rate of interest is more

fluctuating in Hamburg under this system than in any other capital in Europe; the changes often being equal to 1 per cent. week after week.

THE CURRENCY OF FRANCE.

In France the currency is of a mixed character, and the capital of the country is economised, not only by the use of the deposits in the banks, but also by a portion of the circulation being in paper. We will leave out of consideration the local and private banks, and glance only at the Bank of France as the most important establishment. The business of the Bank of France is, in effect, precisely similar to that of the Bank of England; it is a bank of deposit and of issue, combined in one, as the Bank of England was in form prior to the bill of 1844, and is in reality still. The Bank of France, like the Bank of England, has a capital of its own, receives deposits from its customers, issues notes payable on demand, and advances its funds on public securities and in the discount of bills; and it is thus enabled, while it affords great facilities to the commerce of the country by these advances of capital, to pay a good dividend to its proprietors without any charge to its customers. On the 15th of last month the accounts of the Bank of France stood thus, converted into sterling money:

Liabilities.		Assets.	
Circulation of notes,	10,880,000	Bills under discount, &c.,	9,400,000
Deposits,	2,720,000	Bullion or coin,	4,200,000
	<u>£13,600,000</u>		<u>£13,600,000</u>

The notes of the Bank of France are payable on demand, and so being convertible into silver at the pleasure of the holder, perform equally well all the uses which coin would perform. So that, compared with the system used by the Bank of Hamburg, the Bank of France, between its deposits and its issues, supplies capital, which would otherwise be in a great measure useless, to the extent of 9,400,000*l.* And in order to secure to the public the payment of their deposits and the notes in circulation, a reserve of 4,200,000*l.* in bullion remains in the vaults of the bank.

As the Bank of France issues no notes below the value of *five hundred francs*, or 20*l.*, the currency of the country cannot by this means be economised to any greater extent than notes of that and higher denominations can be used. The whole of the remainder of the currency is performed in silver. The economy, therefore, practised by the Bank of France, though affording many millions of capital to the public (which would otherwise be locked up unproductively) in performing the functions of a circulating medium, is extremely imperfect. In notes of 20*l.* each, it circulates 9,400,000*l.*; against which it holds bullion, say, to the amount of 3,200,000*l.*; the remaining 1,000,000*l.* of its bullion being supposed to be held in reserve against the deposits. By this means, therefore, the capital of France is thus economised or augmented, by—

The amount of circulation of notes,.....	10,880,000
Deduct the bullion held in reserve to secure the convertibility of the notes,.....	3,200,000
	<u>£7,680,000</u>

Thus, 7,680,000*l.* of additional capital is obtained by France, just as much as if that quantity of silver were dug from a mine in one of her provinces. But still the extent to which this economy is carried is extremely imperfect. Let us compare it with the Bank of England, and see how much more capital France would really economise, and render available for all her purposes,

if the Bank of France carried the principle to the same extent as is done by the Bank of England. The Bank of England issues notes of the denomination of 5*l.* and upwards. On a recent day, the whole circulation of the Bank of England was thus composed :

Notes of 5 <i>l.</i>	6,100,000
Notes of 10 <i>l.</i>	3,900,000
Notes of 20 <i>l.</i> to 100 <i>l.</i> , both inclusive.....	5,700,000
Notes of 200 <i>l.</i> to 1,000 <i>l.</i> , both inclusive.....	4,300,000
	<hr/>
	£20,000,000

So that the notes under 20*l.* were exactly 10,000,000*l.*, and the notes of 20*l.* and upwards were also 10,000,000*l.* Supposing, therefore, that if the Bank of France were to extend their issues to notes of the same denominations as the Bank of England does, and that the amount of the smaller notes would bear the same proportion to those of 20*l.* and upwards, in France as in England, then the circulation of the Bank of France would be increased by 10,880,000*l.* in addition to its present amount. But this additional circulation of notes would not increase the circulating medium of France by one franc, but would only displace so much silver, and liberate it from the unproductive purposes of a circulating medium, and give it to the country as an increased amount of capital, for foreign payments or any other objects. In issuing this additional quantity of notes, the bank would, of course, be obliged proportionably to increase its reserve of bullion, to secure their convertibility at all times. The mode would be thus:—The bank would issue, in payment of its deposits, in advances upon securities, and in exchange for bullion, the notes in question to the extent of 10,880,000*l.*; as the bullion increased in its vaults, it would extend its accommodation to the public by additional discounts of bills, or it would increase the amount of its interest, bearing securities, retaining always a sufficient additional proportion of bullion to secure the convertibility of its notes. At the conclusion of the operation, the accounts of the Bank of France would stand thus, supposing the deposits to remain the same :

Liabilities.		Assets.	
Circulation,	21,760,000	Securities,	17,080,000
Deposits,	2,720,000	Bullion and coin held against	
		the circulation,	6,400,000
	£24,480,000	Do. against the deposits,	1,000,000
			<hr/>
			£24,480,000

So that, such a change would accomplish an economy of capital, thus :

Circulation of notes,.....	21,760,000
Deduct bullion held as a reserve to secure their convertibility,	6,400,000
	<hr/>
	£15,360,000

Thus, besides absolutely adding to the capital of the country, after retaining a corresponding increased reserve of coin, the sum of 7,680,000*l.*, this step would save the country the great expense caused by the wear of the coin, and the enormous inconvenience which attends a circulation of *five franc* pieces, carried about in bags. The introduction of this huge economy is now contemplated by France.

THE CURRENCY OF RUSSIA, AND ITS CURIOUS EFFECTS IN THE RECENT TRANSACTIONS OF THE RUSSIAN GOVERNMENT.

We will next consider the state of the Russian circulation. It is most interesting and instructive. The money of account of Russia is the rouble—

a silver coin equal in value to 38*d.* or 40*d.* sterling, according to the rate of exchanges. Originally, the rouble was a silver coin only; but at a very early period the government, to aid its finances, issued *paper roubles*, which for a time, while their quantity was small, circulated at the full value of the silver rouble. In the course of time, as the necessities of the government pressed, the amount of paper roubles was increased in payment of the government expenditure beyond the wants of the country; and as there was no provision made for their convertibility into coin, they gradually pressed the latter out of circulation altogether, and were rapidly depreciated in value. This process went on until, at last, the paper rouble, originally worth 38*d.* to 40*d.* sterling, exchanged only for 11*d.* to 11½*d.* sterling in the transactions between Russia and England. In order at length to correct this abuse, and to restore the circulation to a sound footing, the emperor, by an imperial manifesto, dated the 1st of July, 1839, ordained the adoption of cash payments, by making the paper roubles in circulation payable in silver on demand. To have done this at the original rate at which they were issued, or rather which they originally bore—that of 38*d.*—or *one rouble paper for one rouble silver*, would have been manifestly unjust to the country; nor did justice to the holders demand it, as they had all obtained them at the depreciated value of about 11*d.* The *paper roubles* were therefore, by this ordinance, made payable on demand in *silver roubles*, in the proportion of 3½ of paper to one of silver, which it will be seen the rate of exchange indicated as the real value. This is a remarkable example of the effects of inconvertibility in producing depreciation. But since the 1st of January, 1840, when the ordinance referred to first took effect, no further depreciation has taken place, but 3½ *paper roubles* are for all purposes taken for 1 *silver rouble*, for the simple reason that the government is always ready to convert the former into the latter at this rate. Convertibility at pleasure is thus proved to be a sufficient guarantee against depreciation. This act was similar in principle to our resumption of cash payments in 1819, though not accomplished in precisely the same way.

But the Russian government did more. The Commercial Bank of St. Petersburg, under the superintendence of a mixed board of directors, composed of government bank officers and eminent merchants, was empowered to receive deposits of specie, and to issue against those deposits new bank notes representing silver roubles, (intended ultimately to displace the old notes, of which 3½ are equal to one of the new ones, as long as they circulate together.) This bank has carried on these operations since January 1st, 1840, and has up to this time accumulated deposits of specie, for which it has issued notes, payable on demand, to the amount of 114,000,000 roubles, or about 19,000,000*l.* sterling; so that the present account of this bank stands thus:

Liabilities.		Assets.	
Notes issued,	£19,000,000	Bullion,	£19,000,000

It is understood that the convertibility of the whole circulation of paper, including the *old paper rouble*, (the amount of which is not known,) depends upon this fund of bullion.

The government officers and directors of the bank have come to an opinion that this bullion of 19,000,000*l.*, locked up in the fortresses of St. Peter's and St. Paul's, is much greater than is necessary to hold as a reserve against the circulation of notes, and that they may therefore safely employ a portion of it, in interest-bearing securities—and as such have determined to invest 30,000,000 of roubles, or at the exchange of 40*d.*, 5,000,000*l.* sterling, in "*home and foreign stock.*" When this is accomplished, the accounts of the bank will stand thus:

Liabilities.		Assets.	
Circulation,	19,000,000	Securities,	5,000,000
		Bullion,	14,000,000
	<u>£19,000,000</u>		<u>£19,000,000</u>

Of the safety of which, as a bank arrangement, there can be no doubt; and as it is essentially a government bank, the interest or profit is to be used for the benefit of the public, in liquidating liabilities of the government.

Thus the loan of the Emperor of Russia, which has excited so much interest during the last week, is neither more nor less than the adoption of an economy of banking capital.

THE SCOTCH SYSTEM OF BANKING.

In this system, the most perfect freedom existed up to 1845, and even now the restrictions placed upon it by law are less than on any other system of banking recorded in history; and under it the economy of capital and currency are pushed to the greatest possible extent. These banks are banks of deposit and of issue, but, unlike the Bank of England and the Bank of France, they extend their issues from 1*l.* and upwards. The entire circulation of the country is paper, except the silver coin for sums below 1*l.*, but, the notes being convertible at pleasure, and on demand, always conform strictly to their real value in gold, and cannot therefore suffer any depreciation, or be increased beyond the sum which would circulate, were gold substituted entirely in their place. But in order to preserve this convertibility, it is absolutely needful that the Scotch bankers shall always keep beside them a sufficient amount of gold, or the command over it, as will secure the payment of any portion of the notes sent in to be redeemed, either for the purpose of making a foreign payment or any other.

Besides the issue of notes, the Scotch bankers hold deposits to a greater extent, in proportion to their business, than any other banks in the world which arises from their great stability and the confidence reposed in them, and also from the fact that they allow interest upon them from day to day. As near as it is known, the deposits of the Scotch banks amount to about 30,000,000*l.* But in the present case we will treat only of the circulation. The quantity of gold for which they can ever be called upon in Scotland is so trivial that the smallest possible quantity would be sufficient to hold there. The only considerable demand which they can have for gold is to make foreign payments, and this is required in London or Liverpool. The Scotch banks, therefore, hold their great command over bullion, wherewith to protect the circulation as well as their deposits, in credits or securities, which will give them a command over bullion when required in London. The Scotch circulation, prior to the act of 1845, may be thus stated:

Liabilities.		Assets.	
Notes under 5 <i>l.</i>	2,500,000	Securities in bills of exchange,	2,500,000
Notes above 5 <i>l.</i>	1,000,000	Securities in London, & bullion,	1,000,000
	<u>£3,500,000</u>		<u>£3,500,000</u>

The Scotch banks might hold the reserve against the circulation in government stock, or in exchequer bills, but which would always be liable to a loss, in converting, at a moment of an adverse exchange, when their customers are most likely to require funds for foreign payments; but these are much more likely to be taken from the deposits, and certainly would be so in the first instance, and always, except in a case of extreme drain, than from the circulation. Still, as a matter of economy, it must be a calculation with

Scotch bankers, whether it is better to keep such a balance unemployed with their London agent, to answer all the purposes of their foreign payments, or to run the risk of loss by being obliged to sell securities at a disadvantageous moment. It is a question of calculation between the loss of interest on such a balance in London, and the loss of selling securities when required. But the Scotch do, and always have, kept such unemployed balances of cash with their London agents, or, in other words, a command to that extent over the bullion of the Bank of England. A portion of the bullion in the bank as much belongs to the Scotch bankers, as if it lay in their vaults; and remaining in the Bank of England, it has this advantage; it is always on the spot where it is required for the only purpose for which it is ever wanted, to meet foreign payments. A Scotch bank leaves this balance with their agents—say Messrs. Jones, Loyd & Co.—Messrs. Jones, Loyd & Co. keep their unemployed balance in the Bank of England, and the bullion in the Bank of England always answers to the demands of its depositors. This system, therefore, perfectly carried out, secures at all times the convertibility of the notes, and renders their depreciation impossible.

Now let us examine, as we have done in the case of France, what the effect would be, if the Scotch system of issues was made to conform with that of the Bank of England, and they were prohibited from issuing notes under 5*l*. As the banks redeemed their notes, their place would be occupied with sovereigns, and the banks would be obliged to withdraw their advances of capital to the public to a corresponding extent; but as correspondingly less reserve would be required, the advances to the public would not necessarily be reduced by the whole amount of the redeemed circulation. When completed, the statement of the Scotch circulation would be—

Liabilities.		Assets.	
Notes, 5 <i>l</i> . and upwards	£1,000,000	Securities on bills of exchange	700,000
		Securities in London and bullion	300,000
	£1,000,000		£1,000,000

By this means the capital of Scotland would be actually reduced for all productive and useful purposes, by the amount of 800,000*l*.;—thus, in the first case, the economy would be—

Notes in circulation,.....	3,500,000
Reserve against it, even though all held in bullion,.....	1,000,000
	£2,500,000

In the last case the economy would be—

Notes in circulation,.....	1,000,000
Reserve against it,.....	300,000
	£700,000

In the one case the economy of capital affords additional means for productive purposes, to the extent of 2,500,000*l*. and in the latter case to the extent of 700,000*l*.; and in both the circulation has the same extent of guarantee against depreciation. But Scotland would lose still further by the change—in two ways. First,—the profits which the bankers obtain from the circulation of the notes not only enables them to avoid the charge made by the Bank of Hamburg, and not only enables them to keep the money of their customers without any charge, as the Bank of France and the Bank of England do, but it further enables them to give a liberal interest from day to day for all monies deposited with them; so that, by this means, the profit of the economy of capital thus brought about goes indirectly to the public, the bankers' profit arising from the difference of the interest he pays for de-

posits and receives for loans. Second—The Scotch nation are saved from the expense consequent upon the wear and tear of a metallic currency, which the experience of England within the last seven years has taught us is no trifling matter.

The only possible question to which the Scotch system is left open is, whether the convertibility of the notes is sufficiently and absolutely secured.

Experience should be a satisfactory proof of this, and it is a question which we may discuss hereafter.

THE STATE OF THE CURRENCY IN ENGLAND.

We now come to consider the character and state of the currency of England; and to examine how far the unquestionable principle of economy, which we have described, and which has the sanction of every writer and politician of any eminence whatever, has been adopted. The amount of gold coin in circulation in England is not precisely known, but by a variety of tests and calculations, to which it is not necessary here to allude, the lowest estimate is 35,000,000*l.* Exclusively of silver coin, then, the whole circulating medium may be thus stated:

Gold coin,.....	35,000,000
Bank of England notes,.....	20,000,000
Country notes,.....	8,000,000
Total circulation,.....	£63,000,000

These notes are all payable on demand, and therefore always conform exactly in value with the coin they represent. There is no provision by law for the country banks to keep any reserve of bullion, against their notes, but there can be no doubt that every well-managed bank does keep such a stock of bullion, or an immediate command over such an amount of the bullion in the Bank of England, as to secure the payment of any portion of their notes as may be presented. For the sake of simplicity we will confine our attention now, only to the Bank of England. The Bank of England issues 20,000,000*l.*, convertible at the will of the holder. This convertibility is secured to the public by the act of 1844, thus:—it is there provided, that against any amount of notes which the bank shall circulate, it shall hold as a security for their payment, 14,000,000*l.* of government stock, and for the remainder, gold and silver in the proportion of *four-fifths* of the former, and *one-fifth* of the latter. The circulation of the bank in the hands of the public, averages about 20,000,000*l.* the notes in the banking department of the bank, being in reality bullion, having gold and silver representing them in the issue department, lying to the full amount over and above the bullion, which acts as a reserve for the notes out of the bank. If the notes in the hands of the public are 20,000,000*l.* then there is absolutely assigned, as a guarantee for their payment, 14,000,000*l.* of government securities, and 6,000,000*l.* of bullion; the economy of capital, therefore, which England enjoys from the use of Bank of England paper may be thus stated:—

Circulation of notes,.....	20,000,000
Bullion held in reserve,.....	6,000,000
Economy of capital,.....	£14,000,000

The Bank of England is not, as some writers have supposed, relieved by the operation of the bill of 1844 from paying the whole of their notes in coin. They are liable to pay them, as before, to the last pound. The bill of 1844 only provides, that they *may* issue notes, to the extent of 14,000,000*l.*, upon securities; but that whatever amount is issued above that must be against

bullion. The principle which seems to have been acted upon in framing that bill is this: the author of the bill has considered to what sum, under any conceivable circumstances, could the circulation of bank notes be reduced, while they are issued of the present denominations, that is, 5*l.* and upwards. The lowest point in modern times to which they have contracted, under a similar process as we have described the contraction of a metallic currency would take place, was to 15,000,000*l.*, in December, 1839—after a severe drain for coin;—he then seems to have acted on the safe side, and adopted the sum of 14,000,000*l.*, under which the circulation could not fall; and then, by compelling the bank to keep bullion above that amount, he secured at least, under any possible event, the immediate payment of all the notes which were likely to be carried in. But if under any extraordinary circumstances more than the 6,000,000*l.* were presented for payment, the bank would be equally bound to pay them in gold, for which purpose it would sell a portion of the government stock held against them. In this arrangement there is nothing new in principle; it is precisely the same as all banks of issue follow, which are bound to pay their notes on demand. What is new, and the only essential part of the arrangement, is, that it prescribes the kinds and proportions of the securities which the bank shall hold, in order perfectly to guarantee the convertibility of their notes.

By this means England is richer in the possession of absolute and effective capital—has the command over other commodities to an extent of 14,000,000*l.* more than she would under a metallic currency, leaving out of view the country bank issues altogether. But the public have other advantages from this economy. The Bank of England virtually pays to the government a large sum annually as a share of the profit derived from the notes circulating, against the 14,000,000*l.* of securities; and further, the public are benefited by saving the loss which the wear of so much more coin would subject them to; they save, as Adam Smith says, all the capital which it would require, “first to collect and afterwards to support” this additional 14,000,000*l.* of bullion.

Now let us consider how we should be affected in England were we to adopt the French system, and confine the circulation of our notes to those of 20*l.* and upwards. We have already seen that the circulation, on a recent day, of notes under 20*l.*, and of notes of that denomination and upwards, were exactly 10,000,000*l.* each; this was the case within a mere trifle. In the case now supposed, the bank would be called upon to redeem all its notes now circulating under 20*l.*; it would be called upon for this purpose to furnish bullion to the extent of 10,000,000*l.*, which would pass into circulation in the country in place of notes. If at the moment there was not a very large stock of bullion in the country, it would have to be imported, and commodities to the full amount sent in payment of it; and when completed, supposing the securities to be held in the same proportion as they are at present, the bank account of issue to the public would stand thus:

Liabilities.		Assets.	
Notes issued,	10,000,000	Government securities,	7,000,000
		Bullion,	2,000,000
	<u>£10,000,000</u>		<u>£10,000,000</u>

By this charge the country would be absolutely deprived of 7,000,000*l.* of capital, of *one-half* of the annual sum allowed by the bank for the issue of notes, and subjected to the further expense of the wear of so much more coin.

THE PROPOSED REMEDY.

We now come to the chief and important object of this article—having first cleared the way of every objection that can possibly be raised against our proposal, either in principle or practice. We have shown that the circulation of gold in this country amounts, at the lowest estimate, to 35,000,000*l.*, of which, probably, 5,000,000*l.* consist of *half sovereigns*, and 30,000,000*l.* of *sovereigns*—and that the whole of this amount is *capital*, for which we have given *commodities*—*food, clothing, &c.*, in exchange, and is absolutely withdrawn from all productive uses, to be employed only as an instrument, or machine, by which the rest of our capital can be with greater facility circulated. For this purpose, it would be worth all its cost; but, if a cheaper and equally efficient instrument can be found, it is the height of folly to persevere in the use of so expensive a one.

It is impossible that any can entertain stronger or deeper convictions than we do, of the necessity, at any cost, of maintaining and securing the value of our currency unimpaired, in relation to the standard, and therefore of securing, in the most perfect way, the convertibility of the notes which form a part of it; and no system, however perfect and attractive in other respects, that does not possess this important quality, should be listened to for an instant. Whatever plan therefore may be found most perfectly to guarantee the convertibility of our paper, should be adopted, nor will we propose any system which shall by any possibility endanger it. Well, then, we have a circulation of at least 30,000,000*l.* of gold in sovereigns in England, and we prohibit, by an act of parliament, the issuing of paper of a lower denomination than 5*l.* We know that a strong prejudice prevails against the use of 1*l.* notes; but if we show that that prejudice arose from causes, which our plan will entirely obviate, and that no more danger can exist with respect to 1*l.* notes than those of 5*l.* by the system which we advocate, while at least TWENTY MILLIONS OF CAPITAL will be liberated immediately from an unproductive use, and rendered available for the purchase of food and of raw materials; for the employment of our population, and for all the purposes to which such an increase of capital could be applied, then we feel certain, that in the present and rapid accumulating difficulties in which the country is placed, a mere prejudice founded upon the adoption of false principles half a century ago, will not be suffered long to remain between the country and such a boon.

The prejudice against the use of 1*l.* notes originated with the depreciation which took place in our currency during the suspension of cash payments, for twenty years preceding 1819. But this depreciation arose entirely from the fact, that the notes of the Bank of England, like the *paper rouble* of Russia, prior to 1839, were not convertible into gold. But this applied just as much to notes of 5*l.* and upwards as to those of 1*l.* The depreciation was the same on all, and from the same cause; and it would have been as unreasonable for the Bank of England to have withdrawn 5*l.* notes from circulation, after the resumption of cash payments, because they had been depreciated during the suspension, as it was to withdraw 1*l.* notes. What was the consequence? The Bank of England, a large and wealthy bank, withdrew what had previously been the main circulation of the country—its 1*l.* notes. To replace them with gold required an abstraction of actual capital from the country, the immediate effects of which were severely felt. Under this pressure, as no law existed against private bankers beyond a certain distance from London issuing such notes, a great number of new private banks sprung into existence, which, together with shopkeepers and manufacturers, all through the country, who were totally ignorant of the

business of banking, became issuers of *1l.* notes, and soon filled up the channels of circulation, which had been previously occupied by the notes of the Bank of England; and, but for the withdrawal of which, could never have found their way into circulation. Undoubtedly, wise as was the bill of 1819, there can be no doubt that the precautions taken by the Bank of England for the change, were very insufficient to prevent a great amount of mischief and abuse. The restrictions imposed by the then existing bank charter, prevented the formation of sound and good banks, and threw the duty of issuing notes upon a class possessed neither of capital nor knowledge. This extensive issuing of notes by an inferior class of private bankers was one of the remote causes which led to the panic in 1825, but not a very important one. The sudden command which ignorant men found they had of capital by the issue of these notes, which they were enabled to keep out in consequence of the withdrawal of Bank of England notes, led to wild and extravagant systems of advances upon securities of a class which no banker understanding his business—and certainly none at this time—would dream of, and the consequence was, that such bankers, the moment the breath of discredit passed over the country, and their notes were returned for payment, were a mere herd of bankrupts, with nothing to offer their creditors but valueless securities. But all this again was as good a reason for the abandonment of *5l.* notes as of those of *1l.*, or, in fact, against a system of banks of deposit as against those of circulation; for curiously, the panic of 1825 began with banks in London which did not circulate notes, but were only banks of deposit. But it is perfectly idle to dwell upon reasons against a system founded upon such abuses.

We have had an experience of twenty years more, during which the whole system of our banking and banks has been greatly improved, and the principle has become universally admitted, and proved by experience, that bank notes, against which a certain reserve of coin is held, the remainder being represented by interest bearing securities, as a guarantee for their convertibility, form a currency in every respect as efficient and safe as coin itself.

Now let us see what would be the effect if at this time we were to adopt upon a sound and unquestionable principle, a circulation of *1l.* notes as a substitute for gold. Take the circulation of sovereigns at £30,000,000. Now, let it be clearly understood, we would not *add one shilling* to the circulation; what we would do, would be to substitute paper, payable on demand, the instant and immediate convertibility of which should be secured by a sufficient reserve of gold coin, and the remainder in government securities—for the gold now performing the purpose, which such paper would do equally well. The paper could only be got out as the gold came in, and, therefore, the change would be gradual, but the greatest part would be accomplished within a year, and a very large portion within a few weeks.

We will not now discuss what would be the best machinery by which such a paper circulation should be managed—whether by a board of commissioners appointed by parliament, by which the whole profit would go direct to the public; or through the means of banks of sufficient magnitude, like those in Scotland, in open competition, but all complying with whatever restrictions parliament might impose—and through which plan the profit would reach the public, by more liberal terms of business, as we have shown prevail in Scotland—or by the present machinery of the Bank of England, under the existing charter, and in every respect conforming thereto in spirit—the bank paying to the government a sufficient sum for the additional profit which it would derive from such a privilege, and extending to certain country banks the same participation in the profits of the circulation

as at present. We will not now discuss which of these three plans would be best; but we will, for the purpose of illustrating the advantage, as well as the safety which would result to the country, by the adoption of such a system, suppose that the last mentioned plan—that of employing the bank, were adopted, at least for a time; and that would present the great advantage of being in a state of perfect preparation and readiness to undertake it. As we have at present no absolute data by which we could form an opinion as to the lowest point to which under any probable circumstances the circulation of *1l.* notes would contract, a certain proportion should be fixed of the whole amount issued, which the bank should hold in government securities and in bullion; one which would be amply safe, would be two of the former and one of the latter; so that for every £100 of one-pound notes which the bank issued, it should place in the issue department £66, 13s. 4d. of government securities, and £33, 6s. 8d. of coin. Now let us see what the effect of this would be when the whole operation was effected. The bank now stands thus:—

Liabilities.		Assets.	
Notes in the hands of the public,	20,000,000	Government securities,	14,000,000
		Bullion,	6,000,000
	<u>£20,000,000</u>		<u>£20,000,000</u>

After the change in question, it would stand thus:

Notes in the hands of the public. Of <i>1l.</i> ,	30,000,000	Government securities,	34,000,000
Of <i>5l.</i> and upwards,	20,000,000	Bullion,	16,000,000
	<u>£50,000,000</u>		<u>£50,000,000</u>

The economy of capital, at present secured by the adoption of this principle, compared with what it would be, thus compares:

At present.		Under the proposed system.	
Circulation of notes,	20,000,000		50,000,000
Bullion held specially against this,	6,000,000		16,000,000
	<u>£14,000,000</u>		<u>£34,000,000</u>

Let it be observed that the £16,000,000 of bullion held by the bank against the circulation would be over and above what it held against its deposits in the banking department, and would be applicable only to the payment of notes, and for which it would provide instant payment; down to the amount of £34,000,000, to which the whole circulation of this country never could sink; but if it did, then for every shilling below that sum, there would be government securities to sell in order to provide payment for the notes. Who could doubt the safety of paper to the extent of £50,000,000, guaranteed by English consols to the extent of £34,000,000, and gold to the extent of £16,000,000? While therefore at present we economise the capital of the country by the use of *£5* notes and upwards to the extent of £14,000,000, we would accomplish the same to the extent of £34,000,000—or £20,000,000 in addition—by the use of one-pound notes, and with the most perfect safety. We should thus immediately add to the effective capital of the country, to our stock of commodities, or, which is the same thing, our command over them, to the extent of £20,000,000—just as much, as if we dug that amount of bullion out of the centre of England, in the same way as France will add to the amount of her capital by extending her issues from notes of the denomination of £20 to those of *£5*; and in the same way as Russia has, by the law of 1839, accumulated in the fortresses of St. Peter's and St. Paul's, bullion, or capital to the extent of £10,000,000.

While we write, it is just a week since all London, from the Royal Exchange to the houses of parliament, was one buzz of cheerful congratulation at the prospect of the country being saved, by the news that the emperor of Russia was about to invest £5,000,000 of bullion which he had thus economised from his circulation by substituting notes, under a perfect guarantee for their convertibility, in English stocks, by which the annual income or dividend derived from them would be transferred from the owners in England to the Russian government, but, of course, in lieu of ample value given in return; while we, by the adoption of similar means—by the extension of the same principle and system, which we have already adopted with regard to notes of £5 and upwards, possessed a fund at home, from which we could, with the greatest ease, derive a stock of bullion to the extent of £20,000,000 over and above the £10,000,000 which would be needful to protect the immediate convertibility of the notes!!

But to some it may appear at first sight that so sudden an addition to our stock of bullion would depreciate the whole currency of this country, in proportion to that of other countries. Any such effect would be prevented by the immediate export of such part of the bullion as we did not require, just as the emperor of Russia is exporting his bullion, collected by the issue of notes of the value of *thirty-nine pence* each. The effect of such an economy of gold from our circulation would be the same as if a similar quantity were produced from a new mine, and distributed over all the markets of the world. An immediate distribution would take place, so as to retain the same value over the whole world. The operation would be this: Immediately that the Bank of England began to issue the one-pound notes, the gold which they would displace would be at the service of the bank, two-thirds of which would consist in the public securities it now holds, and one-third would be placed as an addition to the bullion in the vaults. For every £100 which came in, £66, 13s. 4d would form a fund for additional advances to the public, for though public stock would be held for it, yet that stock must either be purchased in the market, or taken from the government securities now held by the bank, and so it would go on until the whole £20,000,000 additional capital was diffused in the country. By this operation the rates of discounts would immediately fall; facilities would be afforded to commerce—the orders held by our manufacturers could be executed—and a large fund of bullion would be provided for the import of grain, a sufficient supply of which in this country has become a matter of the most alarming doubt.

Besides the advantages which would immediately result from the addition of such an enormous amount of capital, the Bank of England would make an amount of profit (including the additional cost of management) of £600,000, being *three per cent.* on the £20,000,000 of government stock purchased, and held as a guarantee for that portion of the notes in circulation, out of which the government would receive such a portion as might be agreed upon for the privilege given to the bank; and besides this, the country would be saved the incessant cost of maintaining a gold circulation, which cannot be estimated at less than 2½ per cent. in twenty years from wear, which amounts to a large sum. All these advantages we have voluntarily foregone for the last twenty years; but no period could be imagined when such a combination of the most complicated difficulties called upon the country no longer to neglect so obvious, so sound, so vast, and so easily attainable a boon as the crisis which has begun, but of which no living man can see the end. The question—how are the *hundred millions* of people which inhabit these islands and the adjacent countries to be fed during the next four months? remains still without the slightest solution, while every market-

day witnesses fresh advances in the price of grain. And the almost equally important question, how are our artizans in the manufacturing districts to be employed during the remainder of the year? it is difficult to answer. And, lastly, the great and essential question; how is our public revenue to be kept up amid such prospects? forces itself upon us. It is a period when common danger demands that all party or other considerations should be set aside, and a great effort made to avert the serious calamities under which we suffer, and which time will only aggravate.

In conclusion, we claim for our suggestions the calm and deliberate consideration of the country. In support of every principle which we have advanced, we have ample authority. We have the authority of Smith, Horner, Huskisson, Lord Liverpool, Ricardo, Tooke, Loyd, and Sir Robert Peel, an array of the most unquestionable authorities upon political economy and finance to be found in history, for all the principles essential to our plan; which, moreover, is in perfect accordance with the principles of the bill of 1819, and to which all the checks and guarantees afforded by the bill of 1844 may consistently be added. We would therefore suggest, that the various chambers of commerce throughout the country should immediately meet, and should each appoint a select committee of their members, best acquainted with these subjects, carefully to consider, and report upon the plan as a whole. The only objection which the most careful examination of the subject has enabled us to suggest, is the greater liability to forgery—but practically that is not found to be the case in Scotland, and moreover, that objection is perhaps more than balanced by the present liability to counterfeit coin, and the loss caused by the wear of the coin, which when it does occur, falls greatly upon the lower classes. We can only say that it is with feelings of the deepest anxiety for the welfare of the country that we venture to propose this plan, and we shall be glad to furnish any further explanation of our views which the public may require.

COTTON TRADE OF GREAT BRITAIN.

Debate in the British Parliament, on the 6th May, 1847, relative to the future supply of Cotton from India and from the United States. Mr. Bright, in moving for a select committee to inquire into the progress of the cultivation of Cotton in India, said—

What potatoes were for the population of Ireland, cotton was for the population of the manufacturing districts of Lancashire and Yorkshire, so that if we could suppose a time when the supply of the raw material of the cotton manufactures should fail, the evils which were now desolating Ireland would be precisely those which would fall upon Lancashire and some parts of Yorkshire. He then brought under the consideration of the house a few circumstances relative to the rise and progress of the cotton trade, from the year 1760 down to the year 1844, to show that he did not overrate the importance of the cotton manufactures of England. He calculated that at the present moment 320,000 persons were employed in the cotton mills of the united kingdom, and, as the calculation in the trade was, that a capital of £100 sterling was required for the employment of every hand engaged in the cotton manufacture, there must be a capital of £32,000,000 now invested in the cotton mills and cotton trade. In 1844 the value of our exports to foreign countries, in cotton, amounted to £25,800,000, which was one-half of our whole exports in every other commodity. Sixteen years ago an eminent statesman had calculated that 1,400,000 persons were dependent

for their livelihood on various branches of industry connected with and arising out of the cotton manufacture; and he (Mr. Bright) believed that he should be under the mark in estimating the number now at 2,000,000. The necessity, therefore, of finding a supply of the raw material of cotton was a matter of national and permanent interest. The present was a year in which we witnessed some of the effects arising from a short supply of the raw material. The price of cotton had risen in consequence 75 per cent., and the result was that a number of mills in Lancashire had been compelled to stop altogether, whilst some were working only two or three days in the week. All this was owing to the failure of the American crop, and the distress which it had occasioned in Lancashire was greater than any known since cotton had first come into that country. It therefore became important to consider what was the chance and what the sources of a better supply in future. There was a time when our supply of cotton came neither from the United States nor from British India. In 1786 our supply came from the West Indies, from Smyrna, from Turkey, and from other places in the Mediterranean. It was not till the year 1792 that the first importation of cotton came into this country from the United States. Shortly afterwards a small importation also came from British India. He showed that since that period the importation from the United States had increased 600 per cent., whilst that from British India had not increased more than 50 per cent. The cotton from British India had not, he repeated, increased much during that time in quantity, and he was sorry to add, that it had not improved in quality. He had now said sufficient to show that the circumstances attending the growth of cotton in British India were not satisfactory, and that they justified an inquiry whether the cultivation of cotton there could not be improved. He wished, therefore, to inquire whether India could grow cotton sufficient for our supply? and, if she could, what were the causes which had hitherto prevented that growth? There was every reason to believe that, in India, a larger quantity of cotton was produced than in any other portion of the globe. There was every variety of soil and climate for its production; and yet the supply of cotton was not so great as there was reason to anticipate. In 1836 the court of directors of the East India Company had published a correspondence which they had with the governor of Bombay, and other persons on this very subject; and in that correspondence all the averments which he had made on this subject are sanctioned by the opinions of the directors themselves. They stated that Indian cotton might be produced in quantity and quality quite sufficient for the general purposes of the British manufacturer; and they added, that capital and skill were the only things wanting to raise the indigenous crop of the country, from which all other crops had been supplied, to a standard equal to the best cotton of the west. The East India Company has since undertaken to raise that crop, but had failed. They had land fit for the cultivation of cotton—they had a population upon it docile and intelligent—they had labor cheaper than in the United States, and every thing among the cultivators necessary for the improvement of the crop, except skill and capital. The East India Company had expended £100,000 in their attempts to improve the cotton of India; but they had failed, and he wanted to know how and why they had failed, and to ascertain by the examination of witnesses the causes which had prevented the increase of the growth of cotton in their dominions. If any steps which were available to promote that growth had been left unemployed, it would be the duty both of the East India Company and of the British government to employ them at once; for, if any accident were to destroy the cotton crop in the United States, its results would be awful to England. A frost coming too early or too late, too much wet or too much dry weather, an invisible

worm, might produce the most disastrous results on the cotton crop in America, and on the manufacturing population in England. Besides, we might be at war with America. Moreover, the whole of the American cotton crop was the produce of slave labor. The system of slavery must come to an end in America, either peacefully or violently; and, whenever it did come to an end, its results in this country would be violently felt in the loss of the cotton crop. He could dilate further upon this topic; but he abstained, as he understood that it was not the intention of government to oppose his motion.

Sir J. Hobhouse thought that Mr. Bright over estimated the effects of an inquiry into this subject, before a committee, if he supposed that by any encouragement the East India Company could ever make the people of India producers of cotton equal to those of the United States. He was convinced that we never could have such a production of cotton in India as would make this country safe. Indeed, we had been so much importers of cotton manufactures into India that we had destroyed the cotton manufactures of Dacca, and were absolutely clothing the people of India with the produce of British looms; and that was one of the reasons why the growth of cotton had fallen off in Hindostan. Since the year 1780 every effort had been made by the East India Company to improve the cultivation of cotton in India; but it was not till the year 1828 that the first effort was made to introduce into that country the cultivation of foreign cotton, and that Lord Ellenborough, then president of the board of control, obtained the formation of some farms for the growth of American cotton in Bombay. In 1839 Lord Auckland drew up a minute, calling the attention of the court of directors to the best mode of cultivating Indian cotton; and in consequence, the court of directors sent Capt. Baylis to Carolina to get American planters to teach the Hindoos the best mode of planting. Capt. Baylis returned with ten planters; three of them were sent to Bombay, three to Madras, and Capt. Baylis with the remainder went to Bengal. The success of the project was not uniform. It failed in the north-western provinces, owing to two or three consecutive dry seasons, which discouraged the roots; but in Bundelcund and the South Mahratta country the success had been complete. He mentioned this to show that Mr. Bright was not correct in saying that the experiment in India had failed. In the last year the number of acres cultivated with American cotton in India had greatly increased. The increase in the price of the cotton so produced had kept pace with that of the New Orleans cotton. With respect to its quality, he must admit that the natives of India failed in packing and cleaning it, because they were not acquainted with the mode of packing adopted in the United States, and were not in possession of their machinery for it. The diminution in the importation of cotton to this country was last year 23 per cent.; but the diminution in the importation to China only reached half that amount. The reason of that diminution was, that the merchants of India had spent their money in importing opium into China, just as the merchants of Lancashire had spent their money in railway speculations, and had therefore less to expend on the importation of cotton. Besides, latterly, freight had been taken up for breadstuffs, to be sent to this country, which was another cause of the diminution of the importation of Indian cotton this year. He believed that Mr. Bright had overrated the power of the Indian government to do anything with regard to this plant. The court of directors had hitherto given it fair play, and were prepared to do so still. They had already spent £100,000 in these experiments, and had not yet discontinued them. They were encouraging the formation of roads and canals in those districts where the cotton cultivation flourished most; that was the best and most legitimate method of improving the cul-

tivation of cotton. In conclusion, he observed that he did not anticipate any very great results from the investigations of this committee; but Mr. Bright should have every facility which the government could afford in conducting his inquiries.

BANKS OF LONDON.

A Review of the Private and Joint Stock Banks in London. By James Knight.

Banking in London has arrived at such an important era that it may be viewed by all branches of the community as one of the most extensive and influential interests. Merchants, lawyers, bill and stock brokers, as well as all others connected and unconnected with the trading of this great metropolis, are now fully alive to the importance of its welfare and security. Being the twin sister of commerce, and having risen in extent and value concurrent with it, it cannot be surprising that it should form the chief element of prosperity and national advantage. It appears that banks were first established by the Lombard Jews in Italy, 808; the name taken from Banco, a bench, benches having been erected in the market-place for the exchange of money, &c. Among the earliest banks were the Bank of Venice, established 1157; of Genoa, 1345; of Amsterdam, 1609; of Hamburgh, 1710; of Rotterdam, 1635; of England, 1693; Old Scotch Bank, 1695; Royal ditto, 1727; in the East Indies, 1787; America, 1791; and the Bank of England was incorporated by King William (1694-1695) and his parliament, in consideration of £1,200,000 lent to government, and issued notes of 20s. March 9, 1797. The present system of banking has developed itself by the growth and character of the commercial requirements from time to time.

The banking business of the metropolis is carried on by the Bank of England, forty-six private bankers' establishments, and five joint-stock banks and their branches, besides other houses of minor importance. The amount of business now transacted by the Bank of England is very considerable, the bank charter act (19th July, 1844) having brought that institution more in competition with the banking community.

The more immediate object of inquiry is that of the business of the PRIVATE BANKERS. It will be seen that the number of establishments so engaged amounts to forty-six, of which thirty are what are termed "*city banking houses*," and sixteen "*west-end banking houses*." It is not necessary to distinguish them by name, as they are so familiar to the public; but attention may be directed to the nature and extent of their operations as bankers. In the first place, it may be presumed that each banking house consists of four, five, and six partners—the number being limited to the latter. Generally speaking—indeed, almost without exception—the members of these firms are possessed of large private fortunes, inherited or amassed from their lucrative establishments. The principle of the banking business may be thus simply defined. A certain number of wealthy individuals unite for the purpose of conducting the business of a bank—they being, in all cases, men in whom the public place unlimited confidence, become the recipients of the spare funds of the trading and other classes of the community, which, together with their own capital, they use to the benefit of their customers and themselves; *they*, on the one hand, undertaking to assist and complete the payment of the demands of their customers; while on the other, by their skill, knowledge, and experience of the monetary operations of the day, they so *re-distribute* the funds in their possession in discounting bills, and grant-

ing loans upon security as to prevent any inconvenience to their customers when they require to draw out their funds, or any portion thereof. The success of the banker depends, of course, upon the knowledge which he possesses of the "credit" of his customers, and of the most secure and eligible mode of employing, at interest, the funds entrusted to him; which, with the property of the firm, are his "stock in trade." When it is remembered how vast and incalculable are the commercial operations of this great metropolis, it can hardly be a matter of surprise that the establishments of some of the leading bankers should be of so extensive a character. Take, for instance, those of Glyn & Co., Barclay & Co., Jones, Loyd & Co., Smith, Payne & Co., Masterman & Co., and Robarts & Co. In these alone there are as many as 380 clerks; and the number engaged in private banks in the city, and the west-end, and the Bank of England may be fairly computed at 2,500.

The banking business has much increased of late years, which is to be accounted for by the present extensive trade of the metropolis, actuated and stimulated in a great measure by the important public undertakings, such as railways, insurance companies, and other joint-stock companies. There is every reason to anticipate the accession of a further increase, from similar causes yet undeveloped; and from the maturing condition of the railway companies, it is obvious that the banking business is not likely to be diminished. Before proceeding to the state of joint-stock banks, reference may be made to those powerful and wealthy establishments, the west-end banking houses. Of these may be mentioned, Hoare & Co., Coutts & Co., Drummond & Co., and Child & Co. These establishments are supported by the aristocracy and gentry, the legal and other professions, and the better class of tradesmen. These houses may, in point of extent and influence, be classed by the side of those in the city previously alluded to. The nature of their business is, of course, widely different to that of the mercantile and trading class, and the agency of banks in the country, which forms so large and profitable a source of business to the city bankers. In the consideration of the advantage possessed by the private bankers over that of the joint-stock banks, from the facilities afforded by the clearing house—to which it is intended to devote a few remarks—it will be seen that the west-end bankers are by no means excluded, but participate in the benefits of belonging to an influential body. The private bankers in the city elect from their number a committee, which is entitled the "committee of bankers." By this means the interests of all are protected, inasmuch as their meetings are available to the most convenient and preferable mode of conducting their business; for the banking business is such, that, whatever may be the rivalry among bankers to attain the greatest celebrity, it is indispensable that they should be on terms of mutual cordiality, even in their business arrangements, because the assistance, by way of advice as to the resources and character of their customers, enables them to engage in operations, which, if it were not for that good understanding, would often expose them to risk and uncertainty. But, independent of that, there is among bankers in London an etiquette which, while it conduces to their *general* welfare, does not detract from their *individual* success.

JOINT-STOCK BANKS.

There are at present five joint-stock banks in London, viz. The London and Westminster Bank and branches; the London Joint-Stock Bank and branch; the Union Bank of London and branches; the Commercial Bank of London and branch; and the London and County Joint-Stock Bank.

The following summary of their assets, liabilities, &c., as taken from the reports issued to their respective proprietary to March, 1847, will show the progress they have made, and the resources they have within themselves to extend their operations:

Name of Bank.	Capital Subscribed.	Capital Paid up.	Am't of Deposits.	Reserved Fund.	Dividend per cent.
London and Westminster,...	£5,000,000	1,000,000	3,287,588	98,424	6 & bonus of 8s. per share.
London Joint-Stock Bank,...	3,000,000	600,000	2,446,017	120,117	6 & bonus of 2s. per share.
Union Bank of London,.....	3,000,000	422,900	2,170,310	22,300	6
Commercial Bank of London,	614,300	122,860	440,270	10,066	6
London and County Bank,...	not publish'd	200,600	1,588,535	22,242	6
Total,.....	£11,614,300	2,346,360	9,932,720	273,149	

The London and Westminster Bank—Was instituted in the year 1834, and has branches in St. James' square, Holborn, Whitechapel, the Borough, and Stratford place.

It is presided over by a direction, consisting of fifteen directors—five of whom are trustees and registered public officers, agreeably to the act 7 & 8 Victoria, c. 113—a manager, and other officers.

It is the first joint-stock bank which was established in London, and has the largest amount of capital subscribed and paid up. The amount of its deposits, or funds due to its customers and the public, is larger than the other joint-stock banks; and by the report issued to its proprietary on the 3rd March, 1847, it appears that the profits of the past year, after defraying the total expense of the establishment, making allowance for all bad and doubtful debts, and paying the income tax, amounted to 74,175*l.* 15*s.* 9*d.* Out of this amount, a dividend at the rate of six per cent. per annum, for the half year ending the 30th of June last, had been paid, and the same amount, to the 31st of December, 1846, was then declared. In addition to the latter amount, a bonus of 8*s.* per share was announced, making the dividend now in course of payment by this bank equal to 8*l.* per cent. To effect this, 64,000*l.* was necessary, leaving an unappropriated balance of 10,175*l.* 15*s.* 9*d.*, which amount has been passed to the reserved fund, thereby increasing that fund to 98,424*l.* 12*s.* 1*d.*

At this meeting, the directors, considering that the time had arrived when the ten thousand shares hitherto unallotted should be appropriated, apportioned them as follows: To the present proprietors, for every four shares held by them, one of these shares will be allotted; thus making the total number of shares 50,000, upon which 20*l.* has been paid; and the paid up capital 1,000,000*l.*

Consequent upon the increase of the business of this bank, two additional directors were elected by the proprietors. The success of this establishment is now beyond all question. It has been in existence thirteen years, and has progressively increased in public estimation and created a most valuable and remunerative investment for its proprietary.

The business of the bank is conducted upon the terms generally adopted by private bankers, with the exception of interest being allowed upon sums placed in its hands upon *deposit* account, and of accounts opened by parties who agree to pay a *commission* in lieu of keeping a balance.

Next in importance and influence is the

London Joint-Stock Bank.—This establishment has a branch in Pall-mall. The direction comprises twenty-one gentlemen of great practical knowledge and commercial influence; and, as in the preceding case, is conducted by a manager and other officers. The success which has attended the progress

of this undertaking is, by the report recently laid before the proprietors, on the 14th January, 1847, most complete. It will be seen that the paid up capital is 600,000*l.*, being 10*l.* per share upon the whole amount of their shares—viz. 60,000 of 50*l.* each. The amount due by the bank to its customers and the public, was 2,446,017*l.*, being an increase of 241,133*l.* over that in July last. The amount of the “*reserved fund*” is 120,000*l.*; and the *dividend* declared was six per cent., with a bonus of 2*s.* per share, or equal to seven per cent. The nett profits of the bank for the half year ending 31st December, 1846, show a clear dividend of ten per cent.; but the directors deemed it desirable to increase the “*reserved fund*” 7,000*l.*, thereby making it 120,000*l.*

The business of this bank is conducted on the following principles: Regarding *current* accounts kept at the head office, interest is allowed at the rate of 1*l.* per cent. per annum, calculated on the *smallest* balance which may appear to the credit of each account at the close of any day during the preceding month; provided the monthly minimum balance, on the average of the six months, be *not* under 200*l.*

The bank does *not* allow interest upon *current* accounts at its branch in Pall-mall.

Deposit accounts are opened with the public by sums being placed in the hands of the bank, for such interest, and for such periods as may be agreed upon; reference being had, in all cases, to the state of the money market.

The Union Bank of London—Is the *third* joint-stock bank in London. It has two branches—one in Argyll place, Regent street, and one in Charing cross, at the corner of Suffolk street. The direction is composed of fourteen gentlemen, of whom Sir Peter Laurie is the chairman. The management is entrusted to the manager and other officers. The paid up capital is 422,900*l.*, being 10*l.* per share upon 42,290 shares; the subscribed capital being 3,000,000*l.*, in 60,000 of 50*l.* each, of which 17,710 are unallotted. The terms of business are: to parties keeping *current* accounts, an allowance of interest, at the rate of two per cent. per annum on the smallest balance at the credit of their account at the close of business on any day during the month, provided that such balance shall not have been below 100*l.*

On Deposit Accounts.—The rate of interest at present allowed on money so placed is three per cent., the same being subject to ten days’ notice of withdrawal. Sums under 150*l.* may be withdrawn *without notice*. These terms relate only to sums under 1,000*l.* If of this amount and upwards, they are received upon *special* terms, to be agreed upon between the manager and the depositor. If desired, bills or promissory notes, including the interest upon them till maturity, will be issued to depositors. This bank has hitherto paid a dividend of five per cent. to its proprietary; but it should be borne in mind that those proprietors who keep accounts at the bank receive a share of the profits in the shape of interest.

The Commercial Bank of London—Is much smaller than either of the preceding, and has a branch in Henrietta street, Covent garden. There are twelve directors, and the business is conducted by a manager and other officers. Its paid up capital is only 122,860*l.*, and the subscribed capital, 614,300*l.* Originally, the amount of the shares was 1,000*l.* each, but they were very wisely reduced to the value of 100*l.* each, about eighteen months since. In proportion to its small paid up capital, it has kept pace with the other joint-stock banks, the amount of the deposits being 440,000*l.* This bank does not allow interest upon balances on current accounts. On deposit accounts interest is allowed upon the terms of the other joint-stock banks.

The London and County Joint-Stock Bank—Has branches at forty-three places in the counties near London, besides the parent establishment in

London, as an independent joint-stock bank. It is under the direction of twelve gentlemen and the general manager and managers of the different branches. The paid up capital is 200,600*l.*, and the amount of the shares 50*l.*, upon which 20*l.* has been paid. Interest is allowed upon current and deposit accounts. The amount of deposits due to customers on these accounts was, by their report on the 4th February, 1847, 1,588,535*l.* This includes the forty-three branches, and therefore forms no criterion of the extent of the London business; but, under any circumstances, that portion could not be very large. The bank pays a dividend of six per cent. to its proprietors, and the reserved fund now amounts to 22,242*l.*

It therefore appears that the gross amount of the subscribed capital of the first four of these banks is 11,614,300*l.*, and the paid up capital of the whole, 2,346,360*l.* The gross amount of deposits in their hands due to the public is 9,932,720*l.*; and the gross amount of their "reserved" or "guarantee" funds, 273,149*l.*, and the dividend list shows the payment of 8, 7, 6, and 5 per cent. to the proprietors.

The National Security Bank.—A company under the above title is in course of formation. It is proposed that the subscribed capital shall be 500,000*l.*, in 5,000 shares of 100*l.* each, and that the paid up capital shall be 250,000*l.* The direction is not yet completed, but several gentlemen of eminence have already joined it, and it is expected that the shares will be shortly allotted. The principles upon which this bank will be conducted are of a novel character, and will differ materially in practice from any system hitherto adopted. It is intended to make the bank one of deposit, both as regards current and deposit accounts. No interest will be allowed on the former. On the latter, interest at the rate of 2*l.* per cent. will be given for sums so deposited, and the leading principle of the bank will then be brought into requisition—that of supplying the depositors with the dexter halves of exchequer bills *as security*, and enabling them to draw the amount without notice, or, where it is considerable, at one day's notice.

THE CLEARING HOUSE OF LONDON.

The Clearing House is an establishment separately and independently maintained by the private bankers in London for simplifying the process of arranging among themselves their daily payments. The establishment consists of a large room, containing compartments or bureaux for every banker in Lombard street and its vicinity. These are alphabetically arranged, and a desk is apportioned to the clerk representing each firm. The Clearing House is opened to the bankers' clerks every morning, and the business of the day is proceeded with in the following manner:

Attached to each bureau is a box for the reception of bills of exchange, and cheques accepted and drawn by customers of the private banks; each being previously sorted in alphabetical order, they are dropped into the box, and thence taken by the clerk, who, in a book made and ruled for the purpose, containing the name of every clearing banker, under its *specific* head, enters the amount of these various engagements, and they are *then* sent up to the different banking houses to be examined as to the *authenticity* of the signatures, the *regularity* of the documents, and the *necessary funds* for their discharge. This change and interchange proceeds till four o'clock, P. M., at which hour the boxes are finally closed. The next step is the casting up of the different columns, showing the total amount of each banker's claim against any other, during the day's transactions. By five o'clock this part of the business is completed; and it only awaits the arrival of the clerks from the banking houses to ascertain whether there are any "return bills or

cheques," in which case the bankers previously credited are debited with the amounts. The accounts are then made up, and each clerk gives in to the inspectors (two gentlemen unconnected with the banking houses, and engaged by the committee of bankers to examine into and settle the accounts of the day's clearing) the amount which he is indebted to the "clearing," and they bring the final operation of the day's work to two or three bankers, who, by the payment from one to another of the small amount necessary to complete the transactions, balance the extensive and multifarious daily demands on the banking houses in the city. But this is merely the *mechanical* view of its effect. It is, besides, of incalculable profit to the *private* bankers, inasmuch as, by their mutually agreeing to carry on their daily operations by this method, there is no necessity for them to keep by them a large amount of Bank of England notes.

The following list, extracted from the "Circular to Bankers," 19th April, 1844, will show the vast extent of the operations of the clearing bankers in the year 1840:

Amounts passed by the principal Banking Houses of London at the Clearing House, 1840:—

Barclay and Co.	£107,000,000	Curries and Co.	17,500,000
Glyn and Co.	105,000,000	Spooner and Co.	16,000,000
Jones, Loyd and Co.	104,000,000	Price and Co.	15,300,000
Masterman and Co.	90,000,000	Hankey and Co.	15,000,000
Robarts and Co.	80,580,000	Barnard and Co.	12,000,000
Smith, Payne and Co.	64,000,000	Vere and Co.	10,428,800
Williams and Co.	56,000,000	Rogers and Co.	9,000,000
Barnett and Co.	50,000,000	Dorrien and Co.	8,000,000
Lubbock and Co.	33,760,000	Fuller and Co.	7,500,000
Stone, Martin and Co.	33,700,000	Brown and Co.	7,000,000
Prescott and Co.	30,000,000	Bosanquet and Co.	3,700,000
Denison and Co.	26,863,000	Stevenson and Co.	3,500,000
Hanbury and Co.	24,700,000	Weston and Co.	3,265,000
Ladbroke and Co.	24,200,000		
Willis and Co.	20,500,000		
			£978,496,800

This statement does not include the bills and cheques either of the Bank of England, of the joint-stock banking companies, or of the bankers of Westminster.

It is the practice for the west-end bankers to employ certain of the city bankers as their agents to clear *their* demands upon the city banks: for example, Prescott, Grote & Co. clear for Coutts & Co.; Robarts & Co. for Ransom & Co.; Glyn & Co. for Praeds & Co.; so that the Clearing House is not only rendered available to the city bankers themselves, but for the west-end bankers to collect *their* engagements payable in the city. It must be obvious that by this system of "*clearing*" the *private* bankers are enabled to control, to a great extent, the banking operations of their customers. All "*cheques*" crossed with the name of a banking firm are understood to be passed through the "*clearing*," and not presented at the banker's counter for Bank of England notes and cash, thus affording to the public a security in their money transactions, and time for the preparation of effects or funds for their engagements. But it is different with the *joint-stock* banks. That portion of the public who keep their accounts with the latter are obliged to furnish the bank with funds at once, because their cheques and bills of exchange are liable to be presented at any time, and paid across the counter or

refused; whereas, those who are the customers of the private bankers are, by the facilities of the Clearing House, afforded the *entire* business portion of the day to pay in and prepare for their engagements. As a general rule, it may be said that the person who keeps an account at a banker's ought not to be placed in such a position: but it frequently happens that mercantile firms of the first standing are induced to *retain* their accounts at the private banking houses for the convenience thus afforded, thereby strongly prejudicing the success of the joint-stock banks. Among this class may be enumerated the leading bill and stock brokers, whose business, from its extent and peculiar character, could not be performed by the joint stock banks, from the cause to which I have alluded.

The following presumed case will illustrate the fact: Suppose in the *first* instance, that A. & Co. keep their account with Stone & Co., who are private bankers, and A. & Co. have to pay B. & Co., 50,000*l.* A. & Co. would hand the latter (B. & Co.) a cheque for the amount crossed with the bankers of B. & Co.; B. & Co. would pay this cheque into their bankers' (say Glyn & Co.) for their account. Glyn & Co., among other cheques paid into their hands by other customers, would send it to the Clearing House, and deliver it to Stone's clerk. Stone's clerk would give Glyn & Co. "credit" for the amount in his book, and the cheque would be forwarded by him to the banking house of Stone & Co., to be examined as to the *signature*, the *date*, and the *possession of funds*. But it *might* happen that, at that very hour of the day (say three o'clock,) A. & Co. had not sufficient funds to meet the cheque; in that case, Stone & Co. would lay it aside, and in the course of the next hour A. & Co. would pay in other cheques, bills, &c., to their credit; which would at once raise their balance, and the cheque in question would be cancelled and passed to their debit. By this it will be seen that A. & Co., by the aid of the Clearing House, are enabled to pay B. & Co. in the *early* part of the day; Stone & Co. not being called upon to pay Glyn & Co. in *hard cash*, but to leave their daily settlement till five o'clock, not only accommodate A. & Co., but themselves, by not being obliged to keep by them a large amount of bank notes, which, were it not for the Clearing House system, they would be compelled to do. And the danger attendant upon the latter course would be fearful; because if bankers paid each other in the way the joint-stock banks are *compelled* to do, by Bank of England notes across the counter, the banking business could not be carried on (the fact of clerks carrying from house to house such large amounts of notes, they would be exposed to robbery, &c.,) and it would be deserted by those who now engage in it; because it would be divested of its most profitable source, viz. the mode of settling each other's demands by the beautiful and perfect system of the clearing.

In the *second* place, let us suppose that A. & Co. keep their banking account at the London Joint-Stock Bank, and that the operation was in other respects identical; the practice would be this. A. & Co. would pay the cheque to B. & Co., and they (B. & Co.) would pay it into their bankers' (Glyn & Co.;) Glyn & Co. would *immediately* present this cheque at the London Joint-Stock Bank for payment. It therefore follows that the London Joint-Stock Bank must anticipate this by providing Bank of England notes to pay Glyn & Co., or whoever might have presented the cheque; and it is equally clear that the joint-stock bank, being denied the advantage of the Clearing House, must be under the necessity of carrying on its business as a bank upon terms *infinitely* inferior to that of the private bankers.

Besides, it does not end here, A. & Co. might wish to remove their banking account to a joint-stock bank, but they are constrained to keep it at a private banker's; because the Clearing House is to them (A. & Co.) of such

advantage and convenience. And thus it is that many of the most influential firms in London are prevented availing themselves of the security, good management, and, in many instances, judicious liberality of the joint-stock banks.

Although the joint-stock banks in London, among which is, of course, included the Bank of England (which is a chartered joint-stock bank, with the privilege of issue,) are thus excluded from the Clearing House, a system of clearing among themselves has lately been adopted, which, when more fully in operation, is likely to produce great convenience and saving of expenditure to those establishments, and may be regarded as the first important step towards admission to the Clearing House, or being the means of ultimately securing the co-operation of the private bankers in the city. The following is an outline of the principle:—

The joint-stock banks in London invariably open current accounts with the Bank of England, for the purpose of replenishing their tills by a supply of bank notes as they may require them, and for the general convenience afforded by the nature of those accounts. A system of reciprocity is created by the joint-stock banks settling their demands at certain periods of the day, by payment of a cheque on the Bank of England one to another, thus preventing the necessity of keeping by them a surplus of Bank of England notes, and saving, to a certain extent, their clerks who collect the proceeds of their engagements from exposure to robbery. Were this system generally followed by the private bankers, as well as the joint-stock banks, it would be found to possess great advantages, as by the present mode of clearing among the private bankers, important as it is, the fact of bills and cheques being retained by them till a few minutes before five o'clock, subjects them occasionally to loss, because the bankers who present the bills or cheques so returned through the Clearing House, as "not provided for," or from any other cause, may have honored other drafts drawn by their customers upon the belief that those paid in as "effects," were valid. This cannot occur by the plan now in practice by the joint stock banks and the Bank of England, because, directly the charges or total list of engagements are presented, for the amount of those drafts and bills, for which they have actual assets in hand, a cheque on the Bank of England is given, and any document irregular or not provided for is *at once* returned with the answer, stating the reason. The joint-stock banks owe the introduction of this admirable system to Mr. Pollard, the manager of the London Joint-Stock Bank, and there is little doubt but the private bankers will, before long, pass the amount of their "charges" by means of a cheque on the Bank of England, thereby diminishing, to a considerable extent, the great inconvenience to which they are now subjected, owing to their excluding the joint-stock banks and the Bank of England from the benefits of the "Clearing House."

Any circumstance which tends to increase the influence of the joint-stock banks, will be productive of much assistance to their obtaining those privileges which the private bankers, as I have previously shown, enjoy by unity and mutual assistance in facilitating the practical working of their business arrangements. Of this the leading bankers are satisfied; but it is reserved for time and the force of circumstances to place the joint-stock banks and the Bank of England on an equitable footing in respect to the clearing system.

This system might with corresponding results be extended to the west-end bankers, and had it been in operation three months since, Messrs. Snow & Co., the bankers in the Strand, would have been saved many thousand pounds which were abstracted from their clerk in the city while collecting their demands on the city bankers. He would have received cheques on the Bank of England for the amount of the "charges" presented by him to

the private and joint-stock banks, and have taken those cheques to the Bank of England, to be placed to the credit of Messrs. Snow & Co., it being customary not only for the city bankers, but those at the west-end, to keep current accounts at the Bank of England. No difficulty or inconvenience could possibly arise, because the west-end bankers could, at any time, draw for the amount of bank notes they might require for their business, and by rendering it compulsory for the clerk to return in a cab instead of walking home, the possibility of robbery would be absolutely prevented. The effect is so obvious, that the plan will no doubt be forthwith adopted by the west-end bankers.

DIRECTORS.

To a public company the character and standing of the directors are of the first importance. They should, therefore, be selected according to their influence, knowledge, and pecuniary resources, as well as their general qualifications to advance the interests of the company. An active and influential body of directors is indispensable to the success of the company, as it is to them that the proprietary look for the most eligible principles upon which the company's affairs are to be conducted, and the public for their impartial administration. Where the object of a company is to include the commercial or any other leading interest, it must be obvious that the directors should be so selected as to promote by their personal efforts a connection with the particular branches of their respective avocations. Hitherto the joint-stock banks owe their success to the united energies of their directors and managers, and the attentive and invaluable support rendered by them. In the leading establishments it is customary for three of the directors to attend daily at the bank, to co-operate with the manager in the progress and completion of the more important engagements, which necessarily demand the utmost care and consideration. Many advantages flow from this system. Important operations, which require immediate attention, and where delay would be productive of inconvenience, are thereby arranged, and their proceedings are laid before a full board, weekly. It is not necessary to speak of their duties, but it may be considered as most beneficial to the successful conduct of a bank, and conducive to the convenience of its customers. The number of directors depends upon the nature of the company, and the extent of its business; but it is presumed that a joint-stock bank in London should have from twelve to eighteen gentlemen in its direction.

The following "rules for banking" may serve as a guide:—

1st. That the amount be *ultimately* safe.

2d. That it be repayable within such short periods as comport with the nature of the amount in the hands of the bank, and to enable the bank, by the frequent return of its funds in the regular course of business, to contract such loans as the state of the money market and other circumstances may render desirable.

3rd. That a considerable portion should be of such a nature that it may be recalled in case of need; or that the securities should be of a character which would be convertible *at once*.

4th. That the nature of the securities should be such that the bank could not ultimately suffer by their depreciation.

These rules are but an outline of the mode of employing to the best advantage the deposits, &c., of a bank. The application of them rests entirely with the manager, and comprises the whole secret of banking. It will, therefore, be readily perceived how essentially necessary to the success of a joint-stock bank is the importance of an able manager.

LEGAL MISCELLANY.

UNION BANK (CHARLESTON, S. C.) vs. SOLLEE.

Concluded from page 71, Bankers' Magazine.

C. G. Memminger, Esq., on behalf of the bank, concluded the argument, as follows:

He said every one was interested in the good and proper management of banks, as they are actually part of the machinery of government in making issues and deposits. All were still more interested in maintaining the cause of virtue and good morals in society, and restraining embezzlement.

This case was one of great pain every way, involving the character of the living and the dead—and the jury, as well as every one else, would rejoice if a way could be pointed out, at which a decision could be realized, without involving character.

For this reason it was far preferable to decide it upon the second breach laid in the declaration, or upon the doctrine applicable to conclusive admissions.

He contended, then, first that the second breach was made out—that Sollee had been elected—had given his bond and had received the money from the representatives and sureties of the former cashier, in such a manner as to discharge them and fix himself. This was the very case for an estoppel as shown by the authorities.

The analogy was to a note given for an account, an acceptance of a bill of exchange or endorsement of a note. But his duty did not permit him to rest there. If the court or jury should not be perfectly satisfied to adjudge the case on the ground of mere liability for the money, then he was brought to the question of embezzlement. And here the question met him at the threshold, all those painful considerations to which he had already alluded, and in this, as a part of the case, it could not be disguised that it was an issue between the living and dead cashier. In presenting this issue, he had avoided bringing any evidence to impugn Mr. Sollee, and would have been glad if the same course had been taken as to Mr. Wilkie; but, while the counsel, on the other side, did all they could to impugn the dead by testimony, they so signally failed that they had to change their tone in the argument.

And really the whole effort to establish character on a question of embezzlement, seems entirely beside the issue. It formed part of the case, that an embezzling officer should have borne a good character—none else could have had the opportunity.

It was, unfortunately, the experience of mankind that, character however elevated, presented no security—and this was one among the most striking proofs of the fallen nature of man. Here he referred to some of the most remarkable cases—such as Fauntleroy, Dr. Dodd, Dawson, M'Donald.

He came then to the simple inquiry, whether there was such evidence before them as would warrant them in finding a verdict against Mr. Sollee?

He admitted that, in the beginning, he was bound to show that Sollee received the money, and next that he was in default by not handing it over.

As to his receiving the money, it was established in two ways.

1. By his receipt; 2. By circumstances.

1. As to his receipt, there was no difference between the receipt of a cashier of a bank and that of any other man. In any common case, a receipt was proof, and any other rule would destroy all confidence. The law, there-

fore, raised a presumption that the man, who signed a receipt, had received the amount named in it, and it stood as proof of the fact, unless he showed mistake. But the burden of proof was on him.

The evidence of mistake, in this case, was that three of the bundles were sealed up before Sollee was cashier, and were handed to him as containing so much money, when in fact they contained waste paper!

The burden was on defendant to show exculpatory facts, and, if there were any such uncertainty, as was contended for on the other side, that was Sollee's affair, and he must abide by his receipt. The case was illustrated by such settlements as were often made by paying a roll of money.

2. But most unfortunately for the defendant, it appeared from circumstances, that no uncertainty rested upon the case—but that it was proved to as certain an intent as any human certainty can be established.

1. There was absolute certainty as to the money having been in all the packages originally.

2. There was absolute certainty that they were never out of the custody of Wilkie and Sollee. As for the idea of some person's having entered and taken them from Wilkie, while in a state of inebriety, it is a thing impossible according to any human calculation. The thief would have had to steal back to restore the package—and what motive could he have had to replace it? It would be most extraordinary, however, that a thief should take part only.

3. Then it was certain that Wilkie or Sollee took it—of course every circumstance which went to exonerate the one, served to charge the other—and this fact obviously governed the course taken by Sollee in the conduct of the cause.

4. This made it necessary to institute a comparison between them, both as to their circumstances and actual conduct—and the rational inquiry in the first place was, which of the two was most likely to take the money from his own situation and wants—and here he called on the jury to observe that it was not intended to be a theft.

5. To compare the two—

Wilkie was engaged in no business—poor—not in debt—in bad health—expecting that his end was near.

Sollee was a young man of monied connections, and large expectations, with large debts; taking up money from his relations, and so hopeful as not even to secure a mother and sister; greatly in debt; to whom credit was of immense importance; not accurate in his accounts.

There was no difficulty in coming to a satisfactory conclusion as to which was most likely to take the money—an inquiry into the facts themselves went far to confirm this conclusion.

7. It would be observed that there were three packages, all proved originally to contain the money, one in May, 1835, and the other two in 1837; but he apprehended that, if he could show, to a reasonable extent, which of the cashiers embezzled one, the jury would have no difficulty in finding that the same person embezzled all.

8. He here traced the history of the package of the 19th July. Sollee and Stephens cashiers, and Stephens about to leave, Sollee's money was sealed up in this package on the 3d May and returned into his own possession, where it remained until 19th July, 1837, when he handed it to Wilkie, who gave a special receipt for it, and put it into the vault. Wilkie, at this time, was in such a state of health, that he could do business for only half an hour at a time, and in a fortnight left the bank to go to his grave.

9. He impressed upon the jury that, it was in this fortnight, if Wilkie took the money at all, that he must have taken it, and that was disproved by his

state of health, his state of mind, his dying poor, his owing no debts, and the penury of his family.

10. Then came the next event—Sollee was elected cashier, gave bond on the 26th September, 1837, and on the 27th attended to receive the money of which he was to be the custodiary. As a man of business, he knew full well the effect of such a transaction. These packages doubtless were handed to him, and as the receipt purported, he was to sign for them, not as packages, but as money. Would not this be the occasion to scrutinize the seals; two of the very packages he knew himself, and might have said so to the committee, and the third he must have examined. All present must have been satisfied with the genuineness of the bundles; there could not have been more than five or six of them, probably only these very three.

11. The next transaction was in the January following—Sollee's entering upon the speculation of Edmondston's wharf. A most rash and improvident adventure for a man who had neither time nor money, and only excused by the wildness of the times. It certainly required a most sanguine if not rash man to attempt such an adventure.

It would certainly lead to large demands for money—besides creating the impression in a man's own mind and that of his friends that he was a rich man.

Now whence came the money to pay the instalments—or whence were they to come? In January, 1839, \$15,000 was to be paid with \$3,700 interest.

The sum of \$14,513 28 was actually paid on the purchase, before the receipt of the legacy from Neville Neyle—and \$16,423 96 within the six months after—which made in all \$30,937. But of this \$16,423, only part, to wit, \$—, was paid by Neyle's legacy.

To make up the first payment, a hopeful, sanguine man, who had no moral scruples, could readily help himself from the bank, expecting that he would return the money from Neyle's money, or otherwise by the income of the wharf, and so save the bank harmless.

15. Now that Mr. Sollee would have no moral scruples—that he had no settled judgment against using the money of the bank or others, the overdraft was most important to show.

16. He argued the impossibility of his being ignorant of the overdraft—his account being perfectly regular and actually balanced occasionally.

17. He here explained how the books were kept, and the effect of an overdraft on the cashier's return, and on the customers' accounts. The cashier had the custody of the money—and insisted that the overdraft was just such a delinquency as taking the sealed money.

18. If the money was abstracted at any time previous to July, 1840, it would exactly account for the Bank of Charleston having so much on hand out of the apparent issue, inasmuch as the bills from the suspended banks would naturally flow to them, they issuing more of their own.

19. He then explained how it was likely that, when Sollee intended to return the money from his receipts, his necessities increased, and, as he knew he could take out the bad packages at any moment, and make them good, he was not apprehensive. He thought it would be a loan without interest so long.

20. A remarkable fact occurred on Sollee's book, which showed some change to have come over him about the 27th February, 1840. Up to that time, he got committees to examine and certify his cash, but afterwards did not.

21. He next referred to the distressing times which existed in 1840, '41,

and '42, when scarcely any one could command any credit, and the extreme difficulty of making payments.

22. The reduction of the circulation in 1842 was an indication of this suffering and curtailment—and showed that the small amount of Union Bank notes out, although it proved that the fraudulent issue must have been before this date, did not prove when.

23. He contended that Sollee's resources then began to get worse, and that he became more cramped, as was shown by his overdrafts, and he consequently had not the means of replacing the amount.

24. At this important crisis, Mr. Godard died, and Mr. Tobias was appointed president pro tem.—new auspices prevailed; and, when the examination day came round, the committee found the packages looking suspicious. He here dilated upon this suspicion.

25. Up to this moment Sollee could have withdrawn the packages, and put money in their place—but, unfortunately, he had it not, and the blow fell before he could prepare for it.

26. He here described what occurred, and showed the conduct which a truly innocent man would have been likely to take—certainly to sacrifice every thing, rather than admit the charge even by implication—but Sollee offered Tobias to compound, and even to pay the whole. It was said, that, as he had notice of the examination, he could have prepared for it. But how could he prepare? There was no other Neyle—and besides he supposed the examination would be as formerly—and that, as he was to be the president, his character would carry him through.

27. He dwelt on the circumstances of the ancient packages having been kept so long—and the proposal of Mowry in 1843 to count them—they could have been burnt. Among the various packages of money paid out by the cashier, it seems remarkable that he should have retained on hand, those which were the most ancient, and which were never counted by himself. If it be said that they were not needed, as the president intended only to issue new bills, then why not have handed them over to a committee to be counted and burnt, instead of being kept to be recounted every year.

28. The packages were found to be tampered with. The objection taken that they were not produced, and that there was no ground of suspicion in the mind of the directors—and the further objection that the seals were not produced. The answer was that two of them had been produced, and the third might have been destroyed in the opening.

29. In conclusion, he urged the consequences which have occurred from the neglect of Sollee. At any moment in the last eight years he might have had the packages opened and counted, and thus settled the question. But, by permitting it to remain, after having sanctioned the packages for so long a time, he has accumulated a train of circumstances, which, in order to save himself, he had turned upon the memory of one whose only legacy to his family was an untarnished reputation.

30. He drew a parallel between the two parties, and urged the necessity of letting the consequences fall on him who had been the moving cause of the whole difficulty.

[For the details of this case our readers will refer to pp. 52-71, in our preceding number. The importance of this case, both in the principles involved and as a precedent, will claim the earnest attention of bank officers and bank directors. The looseness with which the affairs of the bank were conducted, especially in the transfer and care of the cashier's funds in the defendant's hands, is remarkable; and we hope it will serve as a caution hereafter to retiring cashiers and to those taking office, to count their funds carefully before receipting for the same.

The Union Bank has appealed to a higher court.—*Editor B. Mag.*]

BANK STATISTICS.

NEW YORK.

BANK CAPITAL OF NEW YORK.

Population according to the census of 1845, bank capital and number of banks in each county of the State of New York, May, 1847; with the mill tax paid by each county upon valuations of 1845.

RIVER COUNTIES.

Name of County.	Population, 1845.	No. of B'ks.	Bank Capital.	Mill Tax.
Albany,.....	77,268	7	2,462,700	9,412
Columbia,.....	41,976	3	411,050	5,300
Dutchess,.....	55,124	5	660,000	11,330
Greene,.....	31,957	4	360,000	1,768
Kings,.....	78,691	3	900,000	17,439
Orange,.....	52,227	6	734,160	6,519
Putnam,.....	13,258	1	100,600	1,740
Rensselaer,.....	62,338	6	1,595,500	7,500
Rockland,.....	13,741			1,440
Saratoga,.....	41,477	3	225,000	3,946
Suffolk,.....	34,579	1	10,000	3,541
Ulster,.....	48,907	2	300,000	3,207
Westchester,.....	47,578	4	344,287	5,961
Total.....	599,121	45	\$8,177,562	

CANAL COUNTIES.

Cayuga,.....	49,663	2	450,000	5,797
Erie,.....	78,635	6	339,000	6,467
Genesee,.....	28,845	4	340,531	3,491
Herkimer,.....	37,424	3	401,300	3,701
Madison,.....	40,987	1	100,000	3,855
Monroe,.....	70,899	5	1,059,000	8,533
Montgomery,.....	29,643	3	300,000	2,195
Niagara,.....	34,550	2	340,000	2,938
Oneida,.....	54,776	9	1,686,300	6,791
Onondaga,.....	70,175	3	475,750	9,236
Ontario,.....	42,592	4	757,900	7,500
Orleans,.....	25,845			2,816
Schenectady,.....	16,630	2	315,000	1,627
Seneca,.....	24,972	1	200,000	3,370
Wayne,.....	42,515	2	18,000	4,050
	678,151	47	6,782,781	

INTERIOR COUNTIES.

Alleghany,.....	40,084			2,602
Broome,.....	25,808	1	100,000	1,252
Cattaraugus,.....	30,169	1	5,000	1,821
Chautauque,.....	46,548	3	202,850	2,737
Chemung,.....	23,689	1	200,000	1,467

Bank Statistics.

Name of County.	Population, 1845.	No. of B'ks.	Bank Capital.	Mill Tax.
Chenango,.....	39,900	1	120,000	2,455
Clinton,.....	31,278	1	5,000	1,000
Cortland,.....	25,081			1,291
Delaware,.....	36,990	1	106,100	2,086
Essex,.....	25,102	1	100,000	890
Franklin,.....	18,692	1	80,000	950
Fulton,.....	18,579			785
Hamilton,.....	1,882			203
Jefferson,.....	64,999	6	580,000	3,886
Lewis,.....	20,218	2	202,450	1,005
Livingston,.....	33,193	1	100,000	5,093
Oswego,.....	48,441	3	373,345	3,200
Otsego,.....	50,509	3	285,000	3,213
Queens	31,849			6,871
Richmond,.....	13,673			850
St. Lawrence,.....	62,354	3	388,000	2,187
Schoharie,.....	32,488			1,071
Stueben,.....	51,679	3	404,750	3,650
Sullivan,.....	18,727			850
Tioga,.....	22,456	1	200,000	1,071
Tompkins,.....	38,168	3	500,000	2,378
Warren,.....	14,908	1	169,540	585
Washington,.....	40,554	2	202,000	3,560
Wyoming,.....	27,205			2,183
Yates,.....	20,777	1	100,000	2,497
Totals,.....	956,000	40	\$4,424,035	
New York,.....	371,223	24	23,791,820	134,052

RECAPITULATION.

13 River Counties,.....	599,121	45	8,177,562
15 Canal Counties,.....	678,151	47	6,782,781
30 Interior Counties,.....	956,000	40	4,424,035
New York City,.....	371,223	24	23,791,820
Total,.....	2,604,495	156	\$43,176,198

BANK CAPITAL OF CITIES AND TOWNS, STATE OF NEW YORK.

Town.	County.	No. of B'ks.	Capital.	Population, 1845.
Adams,.....	Jefferson,.....	1	\$ 10,000	3,000
Alexander,.....	Genesee,.....	1	100,075	2,000
Albany,.....	Albany,.....	7	2,462,700	77,200
Albion,.....	Oswego,.....	2	273,345	1,600
Auburn,.....	Cayuga,.....	2	450,000	6,100
Amsterdam,.....	Montgomery,....	1	100,000	3,500
Ballston,.....	Saratoga,.....	1	125,000	2,000
Batavia,.....	Genesee,.....	2	140,456	4,300
Bath,.....	Steuben,.....	1	150,000	5,000
Binghampton,....	Broome,.....	1	100,000	
Buffalo,.....	Erie,.....	6	339,000	29,700
Brooklyn,.....	Kings,.....	3	900,000	59,500

Bank Statistics.

127

Town.	County.	No. of B'ks.	Capital.	Population, 1845.
Canandaigua,.....	Ontario,.....	3	\$357,900	5,600
Catskill,.....	Greene,.....	2	250,000	5,400
Cazenovia,.....	Madison,.....	1	100,000	4,600
Carmel,.....	Putnam,.....	1	100,600	2,400
Cherry Valley,....	Otsego,.....	1	120,000	4,100
Chester,.....	Orange,.....	1	100,400	1,700
Clinton,.....	Oneida,.....	1	50,000	
Cooperstown,.....	Otsego,.....	1	100,000	
Corning,.....	Steuben,.....	1	104,500	
Dansville,.....	Steuben,.....	1	150,250	2,900
Delhi,.....	Delaware,.....	1	106,100	2,600
Durham,.....	Greene,.....	1	10,000	2,600
Greenwich,.....	Washington,....	1	102,000	3,700
Ellenburg,.....	Clinton,.....	1	5,000	900
Elmira,.....	Chemung,.....	1	200,000	5,900
Elery,.....	Chautauque,....	1	10,000	2,100
Fort Plain,.....	Montgomery....	1	100,000	
Geneva,.....	Ontario,.....	1	400,000	
Genessee,.....	Livingston,.....	1	100,000	2,600
Goshen,.....	Orange,.....	1	105,660	3,200
Herkimer,.....	Herkimer,.....	1	100,800	2,400
Hudson,.....	Columbia,.....	2	286,050	5,600
Ithaca,.....	Tompkins,.....	3	500,000	6,000
Jamesville,.....	Saratoga,.....	1	74,265	
Jamestown,.....	Chautauque....	1	100,000	
Johnsburg,.....	Warren,.....	1	169,540	1,300
Johnstown,.....	Montgomery,..	1	100,000	
Kingston,.....	Ulster,.....	2	300,000	6,500
Kinderhook,.....	Columbia,.....	1	125,000	3,600
Keeseville,.....	Essex,.....	1	100,000	
Lansingburg,.....	Rensselaer,....	1	120,000	4,000
Leedsville,.....	Dutchess,.....	1	10,000	
Le Roy,.....	Genessee,.....	1	100,000	3,300
Lockport,.....	Niagara,.....	2	340,000	9,300
Lowville,.....	Lewis,.....	1	102,450	2,100
Little Falls,.....	Herkimer,.....	1	200,000	4,200
Madrid,.....	St. Lawrence,..	1	10,000	4,400
Malone,.....	Franklin,.....	1	80,000	3,600
Martinsburg,.....	Lewis Co.,....	1	100,000	2,400
Middletown,.....	Orange Co.,....	1	90,600	
Mohawk,.....	Herkimer,.....	1	100,500	
Newburg,.....	Orange,.....	3	437,500	9,000
New Rochelle,....	Westchester,..	1	5,000	2,000
Norwich,.....	Chenango,.....	1	120,000	4,300
Ogdensburg,.....	St. Lawrence,..	2	378,000	
Olean,.....	Cattaraugus,....	1	5,000	600
Owego,.....	Tioga,.....	1	200,000	6,100
Oswego,.....	Oswego,.....	1	100,000	6,000
Palmyra,.....	Wayne,.....	2	18,000	3,500
Peekskill,.....	Westchester,..	1	200,000	

Town.	County.	No. of B'ks.	Capital.	Population, 1845.
Pen Yan,.....	Yates,.....	1	100,000	
Pine Plains,.....	Dutchess,.....	1	100,000	1,500
Poughkeepsie,.....	Dutchess,.....	3	550,000	11,800
Prattsville,.....	Greene,.....	1	100,000	2,100
Rochester,.....	Monroe,.....	5	1,059,000	25,300
Rome,.....	Oneida,.....	1	100,000	6,000
Sag Harbor,.....	Suffolk,.....	1	10,000	
Salina,.....	Onondaga,.....	1	150,000	14,800
Sacketts Harbor,....	Jefferson,....	1	200,000	
Schenectady,.....	Schenectady,..	2	315,000	6,600
Silver Creek,.....	Chautauque,..	1	92,850	
Somers,.....	Westchester,..	1	111,150	1,800
Syracuse,.....	Onondaga,.....	2	325,750	
Troy,.....	Rensselaer,....	5	1,475,500	21,700
Utica,.....	Oneida,.....	4	1,260,200	11,200
Unadilla,.....	Otsego,.....	1	65,000	2,500
Vernon,.....	Oneida,.....	1	76,100	3,100
Watertown,.....	Jefferson Co.,..	4	370,000	5,400
Waterford,.....	Saratoga,.....	1	100,000	2,200
Waterloo,.....	Seneca,.....	1	200,000	3,600
Waterville,.....	Oneida,.....	1	100,000	
Whitehall,.....	Washington,..	1	100,000	4,000
Whiteplains,.....	Westchester,..	1	28,137	1,200
Whitestown,.....	Oneida,.....	1	100,000	5,800
Interior Total,.....		132	\$19,384,378	
New York City,...		24	23,791,820	
Total, State of New York,...		156	\$43,176,198	

OHIO.

BANKS OF OHIO.

From the Auditor's Report, May, 1847.

Number of banks and amount of bank capital in each town, May 5, 1847.

No. of B'ks.		Capital.	No. of B'ks.		Capital.
Akron,	1	\$100,000	Mad River,	1	\$55,710
Chillicothe,	2	199,679	Norwalk,	1	200,000
Cincinnati,	6	1,640,026	Painesville,	1	30,000
Circleville,	1	200,000	Portsmouth,	1	37,500
Cleveland,	4	349,068	Salem,	1	60,000
Columbus,	4	682,710	Sandusky,	2	130,000
Cuyahoga Falls,	1	100,000	Steubenville,	1	71,230
Dayton,	2	169,750	Toledo,	2	200,000
Delaware,	1	74,186	Troy,	1	31,840
Lancaster,	1	49,020	Warren,	1	35,000
Marietta,	1	60,000	Wooster,	1	249,450
Massillon,	1	200,000	Xenia,	1	146,550

BANKS OF OHIO, MAY 5, 1847.

	Indep't. Banks.	State Banks.	Old Banks.	Total.
Loans,.....	\$ 1,187,713	\$ 4,812,772	\$ 4,936,175	\$ 10,936,661
Specie,.....	201,035	1,080,468	745,048	2,026,551
Notes of other banks,.....	123,226	540,302	418,034	1,081,561
Bank balances,.....	88,985	170,507	260,376	519,868
Eastern balances,.....	251,488	487,346	523,332	1,262,166
State bonds,.....	783,920	387,350		1,170,270
Miscellaneous,.....	164,311	58,863	935,952	1,159,123
	<u>1,800,678</u>	<u>7,537,608</u>	<u>7,818,917</u>	<u>18,157,202</u>

LIABILITIES.

	Indep't Banks.	State Banks.	Old Banks.	Total.
Capital,.....	440,310	2,070,743	2,560,676	5,071,729
Circulation,.....	707,664	3,678,981	2,894,385	7,281,029
Bank balances,.....	145,300	116,412	790,148	1,051,860
Deposits,.....	754,608	1,274,885	1,327,345	3,356,837
Bonds,.....	729,920	76,080		806,000
State tax,.....	1,920	7,750	8,048	17,854
Surplus,.....	23,738	30,928	214,337	269,004
Miscellaneous,.....	73,007	280,614	120,785	474,406
Total,.....	<u>2,876,467</u>	<u>7,536,393</u>	<u>7,915,724</u>	<u>18,328,719</u>

The above synopsis is from the official report, which contains a few discrepancies.

BANKS OF NEW YORK.

THE DEMAND FOR CURRENCY.—From the first of January to the first of June, 1847, there were transferred to the comptroller, in trust for the redemption of circulating notes in the free banking department, stocks of the state of New York, amounting to the sum of . . . \$1,850,000
Add New York stocks on hand, January 1, 1847, . . . 4,472,845

Total of New York stocks, . . . \$6,322,845

There are also bonds and mortgages, . . . 1,552,265

Stocks of other states, . . . 1,772,701

Making the total amount of securities deposited in the free banking department, for the redemption of circulating notes, \$9,647,810.

The following banks have been established since the first of January, viz. State Bank, at Saugerties, Ulster county; Farmers' Bank, Mina, Chautauque county; Northern Bank of New York, Madrid, St. Lawrence county; Bank of Bainbridge, Chenango county; Atlas Bank of New York, Clymer, Chautauque county; Merchants' Bank, Ellery, Chautauque county; Commercial Bank, Friendship, Alleghany county; American Bank, Mayville, Chautauque county.

The Commercial Bank of Albany and the Bank of Rochester are making arrangements to continue their business, after the expiration of their charters, under the free banking system.

BANKS OF OHIO.

Tabular statement of the condition of the Banks of the State of Ohio, taken from their returns made to the Auditor of the State on the fifth of May, 1847, showing the loans, specie, bank notes, bank balances, eastern funds, state bonds, capital, circulation, deposits, and other liabilities and resources of the thirty-nine banks. Prepared in obedience to a resolution of the General Assembly, passed March 2, 1846.

NAMES OF BANKS.	RESOURCES.					
	Loans.	Specie.	Bank Notes.	Bank Balances.	Eastern Deposits.	State Bonds.
Independent Banks.						
Bank of Geauga, Painesville,.....	40,000	16,684	15,428	5,106	20,210	46,000
Canal Bank of Cleveland,.....	50,000	6,859	2,967	8,533	29,184	42,542
City Bank of Columbus,.....	286,595	37,659	30,083	44,617	50,393	232,172
City Bank of Cincinnati,.....	49,695	8,075	4,554	11,972	74,280	57,700
City Bank of Cleveland,.....	37,710	14,039	8,277	1,401	12,192	75,786
Commercial Bank of Cincinnati,.....	317,780	31,013	32,263	5,994	34,412	54,000
Dayton Bank,.....	203,549	49,113	12,708	6,244	4,512	152,654
Sandusky City Bank,.....	104,208	11,097	10,853	2,223	15,888	53,066
Western Reserve Bank, Warren,.....	96,906	26,491	6,093	2,890	10,412	70,000
Total of Independent Banks,.....	\$ 1,167,713	\$ 201,036	\$ 123,226	\$ 88,986	\$ 251,488	\$ 783,920
						\$ 164,310
						\$ 2,800,679
Branches of State Bank.	S. Fund deposited with Board of Control.					
Bank of Akron,.....	250,174	51,338	9,142	90	16,611	20,000
Chillicothe Branch, Chillicothe,.....	420,074	71,879	27,001	7,750	53,658	27,000
Commercial Branch, Cleveland,.....	360,716	66,679	16,363	15,863	38,176	27,882
Commercial Branch, Toledo,.....	280,831	61,428	23,767	1,804	11,148	20,000
Dayton Branch,.....	186,536	58,876	64,120	16,222	16,722	18,900
Delaware County Branch, Delaware,.....	164,769	42,141	16,961	616	9,366	14,400
Exchange Branch, Columbus,.....	204,337	60,948	34,153	4,116	84,050	23,750
						2,018
						347,456
						612,363
						527,170
						408,439
						363,552
						249,361
						413,594

Bank Statistics.

131

NAMES OF BANKS.									
Branches of State Banks.									
	Loans.	Specie.	Bank Notes.	Bank Balances.	Eastern Deposits.	State Bonds.	Other Resources.	Total	
Farmers' Branch, Salem,.....	117,901	41,724	7,761	2,711	9,671	12,000	523	192,293	
Franklin Branch, Columbus,.....	365,337	76,713	14,537	2,652	31,415	30,000	2,433	523,088	
Franklin Branch, Cincinnati,.....	553,757	106,194	116,646	23,603	15,109	30,000	5,000	850,311	
Jefferson Branch, Steubenville,.....	153,427	52,466	24,073	26,270	7,775	14,000	5,322	233,335	
Marietta Branch,.....	126,216	34,171	19,849	11,558	25,873	12,000	750	230,450	
Mechanics and Traders' Branch, Cincinnati,...	69,269	28,537	59,931	12,999	13,370	12,000	11,669	207,778	
Merchants' Branch, Cleveland,.....	267,104	39,069	14,407	2,731	33,950	19,925	2,392	379,580	
Summit County Branch, Cuyahoga Falls,.....	248,509	50,053	7,528	5,049	24,389	20,000	1,099	356,629	
Toledo Branch,.....	247,699	57,483	7,201	3,362	26,616	20,000	834	363,197	
Xenia Branch,.....	234,307	54,635	52,552	19,180	33,063	20,000	7,721	421,499	
Mad River Valley Branch, Springfield,.....	128,355	27,011	7,116	452	6,303	11,000		180,238	
Ross County Branch, Chillicothe,.....	161,097	26,888	518	324	12,624	11,000	7,636	220,090	
Miami County Branch, Troy,.....	65,362	22,908	2,607	888	2,066	6,000	829	100,000	
Hocking Valley Branch, Lancaster,.....	128,504	29,179	7,663	1,271	3,245	9,692	1	179,556	
Portsmouth Branch,.....	67,279	21,139	6,266	10,984	12,085	7,400	1,790	126,945	
Total of State Branches,.....	4,812,772	1,080,467	540,302	\$ 170,507	\$ 457,345	\$ 387,349	\$ 58,862	\$ 7,537,597	
Old Banks.									
Bank of Circleville,.....	421,631	80,154	68,040	15,056	51,784		11,345	648,011	
Bank of Massillon,.....	238,901	91,799	35,416	22,161	106,223		80,240	664,752	
Bank of Norwalk,.....	252,886	72,773	38,315	41,329	71,819		53,779	530,903	
Bank of Wooster,.....	501,154	119,421	15,010	22,624	49,245		58,482	795,938	
Bank of Sandusky,.....	167,729	38,148	6,901	29,097	38,411		43,053	322,341	
Clinton Bank of Columbus,.....	596,321	114,212	14,064	27,441	167,184		128,923	1,048,147	
Lafayette Bank of Cincinnati,.....	1,198,342	201,274	73,334	75,575	38,662		121,280	1,708,469	
Ohio Life Insurance and Trust Company,.....	1,569,206	27,263	167,953	27,090			408,847	2,190,361	
Total of Old Banks,.....	4,936,175	745,047	418,033	960,376	513,332		935,851	7,908,926	
Total of all the Banks,.....	10,936,661	2,026,561	1,081,561	519,868	1,362,166	1,171,270	1,169,123	18,247,203	

BANKS OF OHIO.

LIABILITIES.—[Fractions omitted.]

NAMES OF BANKS. Independent Banks.	Capital.	Circulation.	Bank Balances.	Deposits.	Bonds with Treasurer.	State Tax six months.	Contingent Fund.	Other Liabilities.	Miscellan. Liabil'ts.
Bank of Gaucha,.....	30,000	42,000	4,000	21,000	46,000	118	756	3,000	149,000
Canal Bank of Cleveland,.....	30,000	40,000		28,000	42,000		323	1,000	142,000
City Bank of Columbus,.....	90,660	219,000	27,000	205,000	32,000	513	14,000	12,000	802,000
City Bank of Cincinnati,.....	49,800	54,000	16,000	27,000	57,000	114	1,000	16,000	223,000
City Bank of Cleveland,.....	64,850	65,000	2,000	20,000	75,000		3,000	2,000	158,000
Commercial Bank of Cincinnati, ..	50,000	44,000	51,000	304,000		483	2,000	21,000	475,000
Dayton Bank,.....	60,000	123,000	13,000	73,000	152,000	396		6,000	429,000
Sandusky City Bank,.....	30,000	49,000	29,000	30,000	53,000	87	64	5,000	197,000
Western Reserve Bank,.....	35,000	66,000	492	43,000	70,000	204	1,000	4,000	220,000
Total of Independent Banks, .. \$	440,300	\$ 707,700	\$ 145,300	\$ 754,600	\$ 729,900	\$ 1,900	\$ 23,700	\$ 73,000	\$ 2,800,000
Branches of State Bank.									
Safety Fund at credit of Board of Control.									
Bank of Akron,.....	100,000	200,000	4,000	35,000		434	2,000	5,000	347,000
Chillicothe Branch,.....	147,829	261,000	5,000	149,000	8,000	705	531	39,000	612,000
Commercial Branch, Cleveland, ..	150,000	250,000	14,000	92,000	3,000	616	700	13,000	527,000
Commercial Branch, Toledo,.....	100,000	199,000	7,000	43,000	146	509	2,000	54,000	408,000
Dayton Branch,.....	109,750	169,000	1,000	72,000	1,000	431	3,200	5,000	363,000
Delaware County Branch,.....	74,195	141,000	899	19,000	600	379	4,000	7,000	249,000
Exchange Branch,.....	125,000	225,000	1,000	56,000	1,000	519	2,000		413,000
Farmers' Branch, Salem,.....	60,000	119,000	195	8,000		231	1,000	2,000	192,000
Franklin Branch, Columbus,.....	167,050	292,000	810	44,000	5,000	702	1,000	10,000	523,000
Franklin Branch, Cincinnati,....	169,000	296,000	53,000	302,000	9,000	667	484	18,000	850,000

Bank Statistics.

133

NAMES OF BANKS.	Capital.	Circulation.	Bank Balances.	Deposits.	Bonds with Treasurer.	State Tax 6 months.	Contingent Fund.	Other liabilities.	Miscellaneous liabilities.
Branches of State Bank.									
Marietta Branch,.....	60,000	119,000	519	29,000		319	67	20,000	230,000
Mechanics & Traders' Branch,...	60,000	73,000	2,000	64,000			691	7,000	207,000
Jefferson Branch,.....	71,230	134,000	35	67,000	1,000	313	4,000	3,000	283,000
Merchants' Branch, Cleveland,...	104,218	191,000	3,500	58,000		325	2,000	19,000	379,000
Summit County Branch,.....	100,000	200,000	5,000	8,000	9,000	421	1,000	30,000	356,000
Toledo Branch,.....	100,000	200,000	323	24,000	8,000	436	282	29,000	363,000
Xenia Branch,.....	146,550	204,000	1,000	66,000	2,000	594	30		421,000
Mad River Valley Branch,.....	55,710	89,000	757	28,000	3,000	177	1,000	1,000	180,000
Ross County Branch,.....	52,850	102,000	9,000	38,000	6,000	226	45	8,000	220,000
Miami County Branch,.....	31,840	51,000	473	12,000	3,000			1,000	100,000
Portsmouth Branch,.....	37,500	69,000	1,000	25,000	1,000	54	354	1,000	126,000
Hocking Valley Branch,.....	49,020	93,000	355	25,000	8,000	118	34	1,000	179,000
Total of State Branches,.....	\$ 2,070,700	\$ 3,678,900	\$ 115,400	\$ 1,274,900	\$ 76,000	\$ 7,700	\$ 30,900	\$ 280,500	\$ 7,537,500
Old Banks.									
Bank of Circleville,.....	200,000	350,000	7,000	63,000		500	28,000		648,000
Bank of Massillon,	200,000	349,000	15,000	28,000		350	25,000		664,000
Bank of Norwalk,.....	200,000	293,000	411	32,000			4,000		630,000
Bank of Wooster,.....	249,000	498,000	2,000	21,000		748	23,000	795	795,000
Bank of Sandusky,.....	100,000	199,000	889				21,000	315	322,000
Clinton Bank of Columbus,	300,000	591,000	5,000	92,000		750	35,000	22,000	1,048,000
Lafayette Bank of Cincinnati,...	700,000	544,000	52,000	299,000		1,400	36,000	75,000	1,708,000
Ohio Life Insurance and Trust Co.,	611,226	21,000	706,000	789,000		4,000	40,000	21,000	2,190,000
Total of Old Banks,.....	\$ 2,560,700	\$ 2,894,400	\$ 790,100	\$ 1,327,300		\$ 8,000	\$ 214,300	\$ 120,500	\$ 7,908,900
Total of all the Banks,....	6,871,700	7,281,000	1,051,800	3,356,800	806,000	17,800	269,000	474,400	18,247,300

MISCELLANEOUS.

BUSINESS OF THE BOSTON RAIL ROAD.—Great Increase of Receipts.—From the 1st to the 24th instant, 47,262 barrels of flour have been shipped to Boston from East Albany, and 5,000 to the way stations, making in all about 52,262 barrels. Of this amount about 31,000 were shipped to Boston alone, during the past week.

The following table shows the amount received upon merchandise shipped from East Albany during the first four months of the several years named :

	1843.	1844.	1845.	1846.	1847.
Jan.	\$6,621 72	\$13,676 62	\$20,216 28	\$29,749 08	\$51,085 67
Feb.	5,123 47	13,028 21	12,564 62	22,344 36	45,370 09
Mar.	8,029 32	8,059 37	10,226 00	19,908 65	44,218 79
April	6,258 17	10,522 68	15,235 27	16,190 56	25,796 69
	<u>\$26,032 68</u>	<u>\$45,286 88</u>	<u>\$58,242 17</u>	<u>\$88,192 65</u>	<u>\$166,471 24</u>

This shows an increase for the first four months of the present year, over the same period in 1843, of \$141,438 56—over 1844, of \$121,184 36—over 1845, of \$108,229 07—and over 1846, of \$78,278 59.

Two hundred and nineteen cars left the East Albany depot this morning, mostly laden with flour.—*Albany Journal*, June 28, 1847.

COMMERCIAL BANK OF WILMINGTON, N. C.—This institution has lately commenced operations. We annex the circular of the president, dated May, 1847.

Under a belief that the increasing population and growing trade of our own town, not only justified but required an extension of its banking capital, application was made at the last session of our legislature, and a charter obtained for this bank.

All, or nearly all of the capital of our place being employed in active business operations, it was not expected that any considerable amount would be withdrawn from those channels for investment in the capital stock of this institution, but that an opportunity would be afforded capitalists for the safe and profitable employment of funds not otherwise advantageously engaged.

In 1833-'34, the legislature of our state deemed it expedient to establish the "Bank of the State of N. Carolina," with a capital of \$1,500,000, and the "Merchants' Bank of Newbern" with a capital not to exceed \$300,000. In 1836, the charter of the Bank of Cape Fear was not only extended but the capital increased from \$800,000 to \$1,500,000. The result from this increased banking capital has been prosperity to the people generally, and fair returns to those whose means have thus been employed. Since 1836, the population and business of Wilmington have been more than doubled, and the only addition of banking capital has been such transfers by the bank of the state to its branch here, established that year, as to increase its capital from \$150,000 to \$300,000. On which, as shown by the last statement of that bank and that of November, 1845, (the only two to which we have had access,) has been realized a nett profit of over 10 per cent. per annum. Is it not then, fair to calculate on favorable results from an investment in the stock of an independent bank, of small capital, located in this place; where, as an evidence of the soundness of our business community and operations,

the loss sustained by the two banks during the last ten years has not averaged $\frac{1}{2}$ of one per cent. per annum on the capital employed?

The capital on which the two banks in Wilmington operate is \$750,000, with no other within 80 miles. The whole country round, therefore, and in some directions to the distance of 150 miles, seek business facilities here and is dependant on that amount for accommodation. With a note debt of from \$750,000 to \$800,000, and an exchange business amounting, including bills payable within the state, to about \$1,400,000 per annum, the present banks cannot meet the requirements of the community here and the surrounding country, and we are well assured that the capital of \$300,000 with which this bank was chartered, can be safely and profitably employed.

This bank was organized on the 26th April. The directory is composed of gentlemen engaged in and perfectly familiar with the business of the place. The second instalment of \$25 per share on subscriptions will be required on the 25th June, from which time until the commencement of operations, which will probably be within the month of July next, interest will be allowed on all anticipated payments on subscriptions.

O. G. PARSLEY, President.

~~~~~

AMERICAN STOCKS have improved in London, and there appears to be more confidence in American securities. We subjoin the following letter from one of the oldest houses in London to an eminent house in Wall street:

London, 18th June, 1847.

Gentlemen—Acknowledging your favor of 31st ultimo, per Britannia, we have now the pleasure to address you, not merely a formal letter, announcing nothing doing and no change; but one that might be burthened with the details of very active business in the various American securities. You, on your side the water, have taken the lead. The calling for your own stocks have created not only a great present demand, and consequently lively market, but called forth a latent confidence in you on our parts, which will impart a vast stability and so a perpetuity to it.

The packet which will convey this will carry out a considerable amount of Indiana five per cent. bonds, Louisiana bonds, New Orleans Canal and Banking Co. shares.

Our operations during the last fortnight in Pennsylvania and Indiana have been large. During this period we have purchased Indiana bonds at prices beginning with 33 $\frac{1}{2}$ , and concluding with 37. Our purchases of Pennsylvania commenced at 68 and ended 72; Ohio 86 $\frac{1}{2}$ , ended 92.

Our purchases of New Orleans Canal and Banking shares have made some impression on the market. We began at £7 10, and end with being buyers at £13 10.

Our impression is that the great race here (*and the race is begun*) will be in Pennsylvania. We anticipate a great demand for it amongst our old-fashion investors. We are in much better trim than when we last wrote to you. Money comparatively easy; confidence more established; corn market materially lower, and likely to decline. Weather fine. We are working at the conclusion of a busy day, and have only to add that we are

Yours, most respectfully.

*American Securities.*—New York 5 per cent., redeemable 1845-50, 90; do. do., 1855-58, 91 2; Pennsylvania 5 per cent., 70 1; Ohio 6 per cent., 1850, 91 2; do. do., 1856 60, 92 3; Massachusetts 5 per cent. sterling bonds, 1868, 101 2; Indiana 5 per cent., 1861-66, 36 $\frac{1}{2}$ ; Mississippi 6 per cent., 1841-46-51-56, 48; Kentucky 6 per cent., 1868, 93 4; United States Bank 8 per cent., 17s. a 18s.

**PRICE OF FLOUR.**—We are indebted to a friend for the following averages of prices of flour in this city from the year 1824 to 1846, inclusive. It is an interesting, and we believe, a reliable statement. The averages have been taken on the prices during the season of canal navigation.

| Years. | Average Price. | Highest Price. | Lowest Price. | Diff. of Price. |
|--------|----------------|----------------|---------------|-----------------|
| 1824   | \$5 38         | \$5 50         | \$5 25        | \$ 25           |
| 1825   | 4 77           | 4 87           | 4 63          | 24              |
| 1826   | 4 61           | 5 13           | 3 88          | 1 25            |
| 1827   | 4 72           | 5 75           | 4 63          | 1 12            |
| 1828   | 5 78           | 7 50           | 4 50          | 3 00            |
| 1829   | 5 69           | 7 00           | 4 50          | 2 50            |
| 1830   | 5 19           | 5 25           | 4 88          | 37              |
| 1831   | 5 69           | 6 25           | 5 19          | 1 06            |
| 1832   | 6 02           | 6 25           | 5 75          | 50              |
| 1833   | 5 55           | 5 75           | 5 38          | 37              |
| 1834   | 5 01           | 5 31           | 4 81          | 50              |
| 1835   | 6 31           | 6 94           | 5 75          | 1 19            |
| 1836   | 8 19           | 10 00          | 7 00          | 3 00            |
| 1837   | 9 64           | 12 00          | 8 50          | 3 50            |
| 1838   | 8 09           | 9 00           | 7 00          | 2 00            |
| 1839   | 6 99           | 8 75           | 6 00          | 2 75            |
| 1840   | 4 94           | 5 63           | 4 75          | 88              |
| 1841   | 5 61           | 6 75           | 4 88          | 1 87            |
| 1842   | 5 36           | 6 50           | 4 13          | 2 37            |
| 1843   | 4 93           | 5 38           | 4 50          | 88              |
| 1844   | 4 53           | 4 88           | 4 13          | 75              |
| 1845   | 5 00           | 6 88           | 4 25          | 2 63            |
| 1846   | 4 90           | 6 00           | 3 75          | 2 25            |

Highest average price \$9 04, was in 1837; lowest average price \$4 53, was in 1844. Highest price \$12, was in 1837; lowest price \$3 75, was in 1846.—*Albany Argus*.

## BANK ITEMS.

**NEW BANK IN NEW YORK.**—The Bowery Bank has been organized within a few weeks, and will commence operations early this month at the corner of Broome street and the Bowery. D. W. Townsend, Esq., (late of the Butchers and Drovers' Bank,) has been elected president, and Nathan G. Bradford, Esq., cashier.

**BUTCHERS AND DROVERS' BANK.**—Benedict Lewis, Jr., Esq., has been elected cashier of the Butchers and Drovers' Bank, New York, in place of Mr. Townsend, who presides at the Bowery Bank.

**NATIONAL BANK.**—Frederick Dobbs, Esq., has been elected cashier of the National Bank, Wall street, New York, in place of Thomas Hunn, Esq., deceased.

The Branch of the Exchange Bank of Virginia, in Alexandria, was duly organized on the 24th July, by the unanimous election of Robert Jamieson as president, and John Hooff as cashier, and the other former officers of the Farmers' Bank of Alexandria, to the corresponding offices in the present bank.

THE  
BANKERS' MAGAZINE,  
AND  
State Financial Register.

---

VOL. II.

SEPTEMBER, 1847.

NO. III.

---

SPANISH BONDS.

DEBT OF SPAIN—REPUDIATION—ORIGIN OF ENGLISH GOVERNMENT  
DEBT—FRAUD UPON BANKERS—SOUTH SEA BUBBLE.

THE recent debate in the House of Commons, upon the motion to urge the British government to take some measures in behalf of the holders of Spanish bonds, has given an occasion to Viscount Palmerston to fire a blank cartridge into various bodies of European and American states.

The present motion in the House of Commons was made simply as a *feeler*, in order to elicit the views of the British cabinet upon the topic of the indebtedness of foreign governments to British subjects, and also to furnish an occasion upon which certain functionaries might, in assuming high and belligerent ground, exhibit their own public virtues and also the vices of certain foreign states—more particularly the vice *of borrowing where there was money to lend*. A full report of the debate is contained in our present number. [Page 169 *et seq.*]

The public debt of Spain is estimated, in round numbers, at \$467,000,000. Vastly inferior to that of England, France or Holland. The finances of Spain have been badly managed, and there is apparently not talent enough among her ministers to devise ways and means for the payment of her annual interest. Such was her credit in 1846, that her five per cent. bonds in the London market were held at twenty-five per cent., and her three per cent. deferred bonds at thirty-six.

So little attention has been for several years given by the Spanish government to their bonds, or the interest thereon, that a strong remonstrance was presented to SENOR MON, the Spanish minister of finance, by the principal bondholders residing in England early in 1846. This remonstrance was signed by Rothschild & Sons, Ricardo & Co. and sixteen other firms, in which they say :



"We beg to call your attention to the present deplorable condition of the Spanish stock, and to the repeated disappointment which the bondholders have sustained at so long a period having been permitted to elapse without any provision being made for their claims.

"In the year 1840 the arrears of interest were capitalised, and converted into a three per cent. stock. The bondholders, conscious of the financial difficulties under which the country labored, accepted this very inadequate payment, as the earnest of a more favorable arrangement hereafter; but even this insignificant measure has not been carried out, and dividends for six years have been allowed to accumulate without any means being taken for their liquidation. The debt of Spain presents this anomaly—that while a small fraction of it is paying interest, the great bulk, possessing similar rights and placed under similar circumstances, is neglected and unprovided for.

"We are convinced that your excellency will see the necessity of making some great exertion to relieve your country from this false position, and we are encouraged in this expectation when we see the powers with which you were invested by the second article of the laws of estimates of 1845. You are there authorised to proceed to the settlement of the national debt, both internal and external, to provide payment of the interest out of the surplus of the public revenue and taxes, and even to make a prudential increase to the latter for that purpose. Under these powers you proposed to act, and now that you again occupy that position which will enable you to avail yourself of them, the bondholders confidently expect that you will take the earliest opportunity of redeeming your pledge.

"When we look around at the improved condition of the Spanish nation—when we see the favorable terms upon which money has been raised by the government for internal improvements—when we view the railways in progress and in contemplation, promoted by Spanish enterprise and supported by Spanish capital, we feel assured that the resources of the country are adequate to the fulfilment of its engagements, and that an intelligent and judicious minister like your excellency will be able immediately to render these resources available to their gradual liquidation."

The proposition has been suggested that an indebtedness of a foreign state to the people of another state, and the refusal to pay or unreasonable delay in payment of interest, renders the government of the creditor state bound to adopt measures for the relief of the individual creditors. Lord Palmerston does not coincide with this, although he avows that in extreme cases, extreme measures should be adopted.

A case somewhat similar has arisen between certain capitalists of Great Britain and the state of Mississippi, and in discussing the subject of repudiation by that state, the following remarks have been made by the able editor of the Boston Law Reporter:

"What other course remains? Shall they appear as plaintiffs in the federal courts? These have no jurisdiction over sovereign states. Shall they petition congress? *Cui bono*, when so many domestic claimants are, year after year, denied a hearing by the interference of party tactics and the miserable brawls of its members? An application to congress, even were there no constitutional objections in the way of redress, would be more futile than an application to the justice of the Mississippi legislature, for the last would settle the question by a prompt refusal; the former would wear patience threadbare by delay.

Only one of two courses remains. They must petition their own govern-

ment to make it the subject of diplomatic negotiation with ours, or they must seize upon Mississippi property, wherever found, and pay themselves.

Is the federal government authorised to interfere? Suppose it is. Shall congress pay the amount out of the national treasury? What would this be but an assumption of the state debts, and a premium to repudiation throughout the country? If done in one case why not in all? Such a course would be as demoralizing and insane as the extravagance which incurred the debt.

But suppose, what would doubtless be the case, that the federal government should refuse to interfere, because in its commercial operations a sovereign state is a mere individual. What would then result? Either Holland will consider herself justified in demanding of the federal government the liquidation of the debt, with war as the alternative, or Messrs. Hope & Co., choosing to right themselves, will seize Mississippi property wherever found, and thus compel us to take up arms in defence of that state.

Should these creditors insist upon some recompense for their injury, and our government interferes, either a civil war, or a national debt of two hundred millions is the consequence. Should it refuse to interfere, then there is a war with Holland.

Whether or not repudiation offers to foreign nations a justifiable cause of war, we will not now discuss. We hold, that it does, and perhaps on some future occasion may attempt to prove it. Under such provocation for hostilities, however, other causes would soon arise, and no peace could be expected without a settlement of the debt."

While England has most vehemently urged the claims of her citizens upon other governments, for money loaned upon the public securities of such governments, we cannot shut our eyes to the fact that England has been among the first of modern governments to set the example of repudiation. The history of the reign of Charles the Second furnishes numerous instances of his sallies of wit, and one at least of his sallies upon the private funds of his loyal subjects. It is conceded that the item in the existing national debt of Great Britain—"Debt to Bankers £664,263 sterling"—was created by his closing the exchequer and seizing upon the private funds of the depositors, the goldsmiths of London. The amount thus defrauded was £1,328,526, for which his majesty was graciously pleased to issue letters patent and a guarantee to the creditors of six per cent. interest per annum. Before this was granted, however, numerous petitions were laid before the king, beseeching his majesty to reimburse them. In one of these petitions the following language was used:

"I am confident his majesty's royal bowels yearn with compassion towards us; for the delay of payment is not any defect in his majesty's innate justice, but an excrescence, and an unhappy superfetation of the first pernicious counsel of shutting up the exchequer; to think otherwise would be to blaspheme the greatest sweetness of nature in the world."

The interest was paid for a few years and then entirely suspended. The creditors were then compelled to maintain their rights in a court of justice. A suit was brought against the crown which lasted twelve years, and judgment rendered for plaintiffs: but the chancellor set aside the decision, mainly on the ground that the nation was not bound to fulfil the engagements of the monarch.

Among the prominent bankers who were thus graciously defrauded of funds deposited with them for safekeeping were the following: Sir Robert Vyner £416,700, Edward Barkwell £295,994, Gilbert Whitehall £248,800. Their cause was eventually carried to the house of lords, by whom justice was in some measure rendered to the parties. The decision of the chancellor was reversed, and the creditors were decreed a payment of three per cent. per annum upon the sum of £664,263 only.

The loss to the bankers was ultimately as follows:

|                                                    |                  |
|----------------------------------------------------|------------------|
| The original sum stopped in the exchequer, 1672,   | £1,328,526       |
| Twenty-five years' simple interest at 6 per cent., | 1,992,750        |
|                                                    | <hr/> 3,321,276  |
| Deduct amount awarded by statute,                  | 664,263          |
|                                                    | <hr/> £2,657,013 |

Making a clear loss to the individual creditors and a gain to the government, by repudiation, of above two and a half millions sterling.

At this memorable period the public debt of England consisted of the following items:

|                                             | Principal. | Interest. |
|---------------------------------------------|------------|-----------|
| 1. Original stock of the Bank of England, . | £1,200,000 | £96,000   |
| 2. Original stock in E. I. Company, . . .   | 2,000,000  | 160,000   |
| 3. Bankers' debt, . . . . .                 | 664,263    | 19,928    |
| 4. Annuities and other debts, . . . . .     | 9,861,047  | 853,122   |
| 5. Unfunded debts, . . . . .                | 2,669,390  | 161,963   |

Total debt in the year 1701, . . . . £16,394,700 £1,291,013

This public debt of £16,394,000 became enlarged thirteen years after (1714) to £54,145,000, with an annual interest of £3,351,000.

The repudiation act towards the London bankers and their customers, the goldsmiths, was completely thrown into the shade as a *financial operation*, by the scheme concocted by certain speculators and fostered by the government about the year 1720, entitled the "South Sea Company." This was nothing more than a grant of perpetual privileges to the company whereby the national exchequer realized a very handsome bonus. This *grand conception* is in a few words described in Doubleday's *Financial History of England*, (London, 1847,) as follows:

"The date generally assigned to the "South Sea Bubble," is that of 1720. The South Sea trading company scheme, out of which it gradually arose, was patronised, however, by Harley, Lord Oxford, about 1712, though the spring-tide of the grand fraud did not arrive until some years after. This ruinous and infamous scheme arose out of the wants and necessities of a weak and reckless government; and its history is, briefly, this:

"As the growing operation of the increasing taxes began to act upon private expenditure, and silently to decrease and cut down the large and ample profits, then always derivable from ordinary trades and professions, men began, not unnaturally, to hanker after schemes of short and compendious

methods for realising fortunes. This baleful spirit, the encouragement given by the revolutionary government to public gambling in various shapes, fostered and nourished; until, at last, those classes who might have been thought to have possessed the greatest prudential guards against this sort of fascination, seemed smitten with a sudden madness of absurd speculation, and became the prey of a set of villains, who exhibited a scene of folly and fraud, unmatched either at the period when it happened, or, even, in future time—prolific as that future has been of such exhibitions. This vein of gambling, into which the nation had been gradually led by the schemes of the government, and the various speculations which were the natural and assured fruit of those schemes, was at last taken advantage of by a set of men who were connected with the “South Sea Company,” a trading company established for the ostensible purpose of gaining a commerce with the Spanish-American possessions, and for whaling in the South Seas; at that time almost unknown. This company was set on foot in the last years of the queen’s reign; but their transactions, up to 1719, consisted merely in sending a vessel or two, under a license from the king of Spain, to some of the Spanish settlements. In the year 1719, however, the directors conceived a plan of obtaining a charter of exclusive privileges, by offering to relieve the government of large irredeemable annuities granted in their distress for money at ruinous rates, and other incumbrances of a similar nature. Having sent in proposals to the government containing the most tempting offers, these proposals were, at last, after much rivalry from the bank, which naturally feared this new aspirant to government influence, of which they boasted of a monopoly, agreed to by the ministry, and an act was passed to give them the necessary powers, and as a basis for a charter of privileges. The act met with violent opposition from the tories, and also from Archibald Hutcheson, Esq., member for Hastings, one of the few men of the time who combined sterling sense with sterling honesty, and undaunted courage; but it was at last carried in favor of the South Sea Company. Its outline was as follows:—It enabled them ‘to increase their capital stock, by redeeming certain public incumbrances and debts therein mentioned.’ It further enabled them ‘to raise money, to be applied to such lessening or redeeming of several debts and incumbrances before specified.’ It further enabled them ‘to call in certain uncanceled exchequer bills, and to make new bills in lieu of the same;’ which bills were ‘to be circulated and exchanged on demand, in or near the exchequer.’ This affair was completed about the Christmas of the year 1719; and for their services, exclusive privileges of trading within certain latitudes were assured to them, and the favor of the government guaranteed, in various modes, not now worth recounting. As soon as the act had fairly passed the houses, the stock of the company at once rose to *three hundred and nineteen per cent.*; and a mad epidemic of speculative gambling seemed, at once, to seize the whole nation, with the exception of Mr. Hutcheson, and a few others, who not only preserved their sanity, but energetically warned the public of the ultimate fate of the scheme and its dupes. The public, however, was deaf. The first sales of stock by the ‘court of directors’ was made at *three hundred per cent.*! Two millions and a quarter were taken, and the market price at once reached *three hundred and forty*: double the first instalment according to the terms of payment. To set out handsomely, the court voted a dividend of *ten per cent.* upon South Sea stock, being only a *half-yearly dividend*, payable at Midsummer, 1720! To enable persons to hold, they also offered to lend *half a million on security of their own stock*; and afterwards increased the amount to a million, or nearly so. These bold steps gained the whole affair such an increase of credit, that, upon a bare notice that certain irredeemable annui-

ties would be received for stock, upon terms hereafter to be settled, numbers of annuitants deposited their securities at the South Sea house, without knowing the terms! About June, when the first half-yearly dividend was becoming due, the frenzy rose to such a pitch, that the stock was sold at *eight hundred and ninety per cent.* This extravagance, however, made so many sellers, that the price suddenly fell, and uneasiness began to be manifested; when the directors had the inconceivable audacity to propose to create new stock at *one thousand per cent.*, to be paid in ten instalments of one hundred pounds each; strange to relate, this desperate villany turned the tide again; and, to use the words of Anderson, 'in a few days the hundred pound instalment was worth *four hundred!*'

"This last act was the zenith of the bubble-mania, and the tide flowed in upon all the other schemes of the day. The price of bank stock advanced to *two hundred and sixty*; and of East India stock to *four hundred and forty-five* per cent.; whilst the prices of a host of minor bubbles were dragged up by the success of the greater. The pretended value of all the sorts of stock in the scheme-market was, at this time, computed to be equal to *five hundred millions sterling*; and, as at this time the rental of all the lands, houses, etc. of the kingdom was not calculated to exceed *fourteen millions per annum*, this, at sixteen years' purchase, gives only *two hundred and twenty-four millions*, being only half the sum pretended to be employed in these outrageously swindling chimeras! After midsummer, the madness began to decline, and doubt to take the place of frenzy. The minor bubbles burst first; when the South Sea schemers were foolish enough to apply for a '*scire facias*' against their projectors, on the ground that *their* schemes injured the credit of the grand scheme. This turned *quondam* allies into furious enemies. The '*scire facias*' was issued on the 13th of August, 1720, when the downfall began; and Mr. Hutcheson saw his predictions completely fulfilled. The South Sea villains, in sheer desperation, declared a *half-yearly dividend of thirty per cent.* due at Christmas, and offered to guarantee fifty per cent. per annum for twelve years! They might as well have declared it for 'the thirtieth of February!' Everything was done to prop the reputation of the directors, but all was in vain; and when the stock fell at last to *one hundred and seventy-five*, a panic ensued, and all went to the ground together, totally ruining thousands, and nearly dragging the bank and East India Company along with it. The end of the catastrophe was a parliamentary interference; the expulsion of, and infliction of heavy fines on some of the guilty (amongst whom was the chancellor of the exchequer, Aislaby,) and a *re-absorption* of some of the stock into the 'national debt,' where it stands, at this hour, as 'South Sea annuities' stock! This terrible lesson had a temporary good effect upon the nation; and extravagance, it will be seen, was checked for a time—though only for a time."

---

## NATIONAL DEBTS.

From the Financial, Monetary and Statistical History of England. London, 1847.

The grand and most fatal objection to all the extended systems of national borrowing, is, however, that they, in reality, create a mortgage upon the *labor* of universal posterity; for it is out of the fruits of the national labor alone, that the annual interest can be paid, and such small portions of national debts as have ever been repaid, have been so from the same source.

This is a violation not only of all natural law, but of all laws whatsoever. There never was a code on earth, which made the children liable for the debts of the parents, unless those parents left those children something wherewith to pay. To mortgage the future labor of a child to pay the interest of a debt, contracted before it was born, is in fact, to enslave that child. An infant, so mortgaged, is born a helot and a serf. His body is no more his own than is that of the bondsman; and under whatever pretence or name, the fruits of his exertions are taken from him and made the property of another, a slave he is to all practical intents and purposes, and a slave he ought to be called. The definition of "a slave" is that he is "a man whose bodily toil and the fruits of it are the property of another;" and under this category comes every man whose labor is mortgaged, to pay the interest of a national debt.

That such a monstrosity as this is totally at variance with all the usages and maxims of any state pretending to the slightest freedom of government, it needs little penetration to discover. One of the primal maxims of a "free government" is, that under it "no one can be taxed without his own consent, as expressed by a majority of freely elected national representatives." Next to the deprivation of life, deprivation of goods at the arbitrary will of a ruler or rulers, stands second in the list of the different species of tyranny. Taxes imposed without national consent are a robbery; yet this is what must be perpetually done, if posterity are to be bound to pay the interest of a debt, and "consent" is forestalled and mortgaged as well as labor. That men, with the word "freedom" in their mouths, should ever have assented to the theory of a national debt, is just as surprising, as that men should have submitted to the practical consequences. It affords one proof more of the soundness of chancellor Oxenstiern's aphorism, "Go, my son, and see with how little wisdom mankind are governed!"

The closing item of this black catalogue, is the spirit of gambling, of which such systems are the prolific parents, and which in fact forms an essential part of their nature. It must not be supposed, that men who lend money to governments in huge masses, either do or can engage in such transactions upon the footing of ordinary lenders in the ordinary business of life. Suppose the interest offered for each hundred pounds be at the highest rate allowed by law, or current at the time, the government borrowing cannot get the full hundred for that interest. The reason is, that the lenders must, of necessity, sell a large part of the "scrip," as the government receipt is called, to others, in order to obtain the necessary amount; and to do this, a large margin, in order to allow of profits upon successive sales of this kind, is requisite.

#### *Mr. Jefferson's Views upon National Debts.*

"It is a wise rule, and should be fundamental in a government disposed to cherish its credit, and at the same time to restrain the use of it within the limits of its faculties, never to borrow a dollar without laying a tax, in the same instant, for paying the interest annually, and the principal within a given term: and to consider that tax as pledged to the creditors on the public faith. On such a pledge as this, sacredly observed, a government may always command, on a reasonable interest, all the lendable money of its citizens; whilst the necessity of an equivalent tax is a salutary warning to them and to their constituents against oppression, bankruptcy, and its inevitable consequence—revolution! But the term of redemption must be moderate; and, at any rate, within the limit of their rightful powers. But what limits, it will be asked, does this prescribe to their powers? What is to hinder them from creating a perpetual debt? I answer the laws of nature.

The earth belongs to the living, not to the dead. The will and power of man expire with his life by nature's law. Some societies give it an artificial continuance, for the encouragement of industry. Some refuse it: as our aboriginal neighbors whom we call barbarians. The generations of men may be considered as bodies or corporations. Each generation has the *usufruct* of the earth during the period of its continuance. When it ceases to exist, that usufruct passes on to the succeeding generation, free and unincumbered; and so on, to and from one generation to another, for ever. We may consider each generation as a distinct nation, with *a right* by the will of a majority, *to bind themselves*; but *none to bind the succeeding generation*, more than the inhabitants of another country. Or the case may be likened to the ordinary one of *a tenant for life*, who may hypothecate the land for his debts, during the continuance of his usufruct; but at his death the reversioner (who is for life only) receives it *exonerated from all burthens*. The period of a generation, or its term of life, is determined by the laws of mortality, which, varying a little only in different climates, offer a general average to be found by observation. I turn, for instance, to Buffon's tables of 23,994 deaths, and the ages at which they happened; and I find that, of the numbers of all ages living at one moment, *half* will be dead in *twenty-four years and eight months*. But, leaving out the *minors* who have not the power of self-government, of *the adults* [of age] living at one moment, a majority of whom act for society, *one half* will be dead in *eighteen years and eight months*. At *nineteen years* then, from the date of a contract, the majority of the contractors are dead, and their contract with them. Let this general theory be applied to a particular case. Suppose the annual [male?] births of the state of New York to be 23,994, the number of its [male?] inhabitants, according to Buffon, will be 617,703 of all ages. Of these, there would constantly be 269,286 *minors*, and 348,417 *adults*; of which last 174,209 will be *a majority*. Suppose that majority, on the first day of June, 1794, had borrowed a sum of money equal to the fee-simple of the state, and to have consumed it in eating and drinking and making merry in their day; or, if you please, in quarrelling and fighting with their unoffending neighbors. Within *eighteen years and eight months*, one half of the *adult citizens* are dead. Till then, *being the majority*, they might rightfully levy the interest of their debt annually on themselves and their fellow-revellers, or fellow-champions. But, at that period, say at this moment, a *new* majority have come into place, in their *own* right, and *not* under the rights, the conditions, or the laws of their predecessors. Are they bound to consider the debt; to consider the preceding generation as having had *a right* to eat up the whole of the soil of their country in the course of a life; to alienate it from them (for it would be an alienation to the creditors;) and would they think themselves either *legally* or *morally* bound to give up their country and to emigrate to another for subsistence? Every one will say 'No!' The soil is the gift of God to the *living* as much as it had been to the *deceased* generation; and the *law of nature* imposes no obligation on them to pay this debt. And, although, like some other natural rights, this has not yet entered into any 'Declaration of Rights,' it is no less a law, and ought to be acted upon by all *honest* governments. It is, at the same time, a salutary curb on the spirit of war and indebtedness; which, since the modern theory of the perpetration of debt, has drenched the earth with blood and crushed its inhabitants under burthens ever accumulating. Had this principle been declared in the British 'Bill of Rights,' England would have been placed under the happy disability of waging *eternal war*, and of contracting her thousand millions of public debt!" (Jefferson's Correspondence, vol. iv. p. 202. *Letter to John W. Eppes, June 24th, 1813.*)

## LEGAL MISCELLANY.

## BILLS OF EXCHANGE—NOTICE OF PROTEST.

*Bank of Alexandria vs. Swann. Supreme Court United States.*

This suit was brought in the Circuit Court of the District of Columbia, for the county of Alexandria, upon a promissory note made by Humphrey Peake, and endorsed by the defendant in error. Upon the trial the jury found a special verdict, upon which the court gave judgment for the defendant, and the case comes here upon a writ of error.

Mr. Justice Thompson delivered the opinion of the court.

The points upon which the decision of the case turns, resolve themselves into two questions.

1. Whether notice of the dishonor of the note was given to the endorser in due time?

2. Whether such notice contained the requisite certainty in the description of the note?

The note bears date on the 23d day of June, 1829, and is for the sum of one thousand four hundred dollars, payable sixty days after date at the Bank of Alexandria. The last day of grace expired on the 25th of August, and on that date the note was duly presented and demand of payment made at the bank, and protested for non-payment; and on the next day notice thereof was sent by mail to the endorser, who resided in the city of Washington.

The general rule, as laid down by this court in *Lenox vs. Roberts*, 2 Wheat. 373, 4 Cond. Rep. 163, is, that the demand of payment should be made on the last day of grace, and notice of the default of the maker be put into the post office early enough to be sent by the mail of the succeeding day. The special verdict in the present case finds, that according to the course of the mail from Alexandria to the city of Washington, all letters put into the mail before half-past eight o'clock, P. M., at Alexandria, would leave there some time during that night, and would be deliverable at Washington the next day, at any time after eight o'clock, A. M.; and it is argued on the part of the defendant in error, that as demand of payment was made before three o'clock, P. M., notice of non-payment of the note should have been put into the post-office on the same day it was dishonored, early enough to have gone with the mail of that evening. The law does not require the utmost possible diligence in the holder in giving notice of the dishonor of the note; all that is required is ordinary, reasonable diligence; and what shall constitute reasonable diligence ought to be regulated with a view to practical convenience, and the usual course of business. In the case of the *Bank of Columbia vs. Lawrence*, 1 Peters, 583, it is said by this court to be well settled at this day, that, when the facts are ascertained, and are undisputed, what shall constitute due diligence is a question of law: that this is best calculated for the establishment of fixed and uniform rules on the subject, and is highly important for the safety of holders of commercial paper. The law, generally speaking, does not regard the fractions of a day; and although the demand of payment at the bank was required to be made during banking hours, it would be unreasonable, and against what the special verdict finds to have been the usage of the bank at that time, to require notice of non-payment to be sent to the endorser on the same day. This usage of the bank corresponds with the rule of law on the subject. If the time of sending the notice is limited to a fractional part of a day, it is well observed by Chief Justice Hosmer, in the case of the *Hartford Bank vs. Stedman and Gordon*, 3 Conn. Rep. 495, that it will always come to a ques-



tion, how swiftly the notice can be conveyed. We think, therefore, that the notice sent by the mail, the next day after the dishonor of the note, was in due time.

2. The next question is, whether in the notice sent to the endorser, the dishonored note is described with sufficient certainty.

The law has prescribed no particular form for such notice. The object of it is merely to inform the endorser of the non-payment by the maker, and that he is held liable for the payment thereof.

The misdescription complained of in this case, is in the amount of the note. The note is for \$1,400, and the notice describes it as for the sum of \$1,457. In all other respects the description is correct; and in the margin of the note is set down in figures 1457, and the special verdict finds that the note in question was discounted at the bank, as and for a note of \$1,457; and the question is, whether this was such a variance or misdescription as might reasonably mislead the endorser as to the note, for payment of which he was held responsible. If the defendant had been an endorser of a number of notes for Humphrey Peake, there might be some plausible grounds for contending that this variance was calculated to mislead him. But the special verdict finds that from the 5th day of February, 1828, (the date of a note for which the one now in question was a renewal,) down to the day of the trial of this cause, there was no other note of the said Humphrey Peake endorsed by the defendant, discounted by the bank, or placed in the bank for collection or otherwise. There was, therefore, no room for any mistake by the endorser as to the identity of the note. The case falls within the rule laid down by this court in the case of *Mills vs. The Bank of the United States*, 11 Wheat. 376, that every variance, however immaterial, is not fatal to the notice. It must be such a variance as conveys no sufficient knowledge to the party of the particular note which has been dishonored. If it does not mislead him, if it conveys to him the real fact without any doubt, the variance cannot be material, either to guard his rights or avoid his responsibility. In that case, as in the one now before the court, it appeared that there was no other note in the bank endorsed by Mills; and this the court considered a controlling fact, to show that the endorser could not have been misled by the variance in the date of the note, which was the misdescription then complained of.

The judgment of the circuit court is accordingly reversed, and the cause sent back with directions to enter judgment for the plaintiffs, upon the special verdict found by the jury.

#### REMARKS.

By the Editor of *Leading Cases in Commercial Law*.

There is no portion of the law of greater practical interest or importance, than that relating to the proceedings which are necessary to fix the liability of the endorsers of commercial paper upon its dishonor. As the decisions of the Supreme Court embrace a discussion of the most important principles upon this subject, and constitute the highest and most authoritative exposition of the law, we have devoted the space allowed to this note, to a review of them.

What amounts to due diligence in giving notice of the dishonor of a note, has been repeatedly held to be a question of law, where the facts upon which it depends are ascertained and undisputed. *Bank of Columbia vs. Lawrence*, 1 Peters, 578; *Dickens vs. Beal*, 10 Peters, 572; *Rhett vs. Poe*, 2 Howard, 457; *Harris vs. Robinson*, 4 Howard, 336.

The general subject may be considered in reference, 1st, to the place at

which notice should be given ; 2d, the time within which it must be given ; and 3d, the form of the notice.

If due diligence is exercised in sending the notice, it is not material whether it be received or not. "It is," says Mr. Justice Baldwin, in *Dickens vs. Beal*, 10 Peters, 582, "the clear and conclusive result of the cases, that as between the holder and the drawer or endorser of a dishonored bill, the question of liability depends not on actual notice, but on seasonable diligence, which is in all cases tantamount to actual notice, whether given or not." *S. P. Harris vs. Robinson*, 4 Howard, 336 ; *Shed vs. Brett*, 1 Pick. Rep. 401 ; *Jones vs. Wardell*, 6 Watts & Serj. 398 ; *Stocken vs. Collin*, 7 Mees & Welsh. Rep. 515.

*And first as to the place at which notice must be given :*

The leading principles which are stated by Judge Thompson in the *Bank of Columbia vs. Lawrence*, came under review, and were affirmed in 2 Peters' Rep. 543, *Bank of the United States vs. Carneal*. Carneal, who was the endorser of the note in suit, and which had been discounted by the bank, resided in Campbell county, Kentucky ; the office of the bank, and the residence of the other parties, being in Cincinnati, on the opposite shore of the river, about two miles above. The county seat of Campbell was Newport, where there was a post-office, about three miles from the residence of Carneal. There was also a post-office still nearer, at the town of Covington. At the time the note in question fell due, the mails from Cincinnati passed only once a week through Covington, and three times a week through Newport. Carneal was in the habit of receiving letters at each of these offices, and also in Cincinnati, which latter place he visited almost daily, and in which he was well known. The postmaster in Cincinnati was in the habit of detaining all letters directed to him at that place, in the office, until he called for them ; those directed to him in Campbell county, whenever he observed the address, he sent by the Covington mail, though, where the residence of the party was unknown, the general practice was to send such letters to Newport. The notice in this case was put in the office at Cincinnati, directed to Thomas D. Carneal, Campbell county, Kentucky. "It has been objected," says Judge Story, "that the direction of this letter to Campbell county, generally was not sufficient, but that it ought to have been directed to the nearest post-office, for otherwise it might happen that it would be sent to an office, which, though the county seat, might be very distant from the residence of the party. Whether a mere direction to the county, without further specification, where the party does not reside in any town therein, would be sufficient in all cases and under all circumstances, we do not think it necessary to decide.

"That question may well be left until it arises for judgment. But where the description is general, if it in fact is sent to the proper post-office, or if, after due inquiry, it is the only description within the reach of the person sending the notice, we think it may be safely declared to be sufficiently certain, and that a different doctrine would materially clog the circulation of negotiable paper. We think the description in the present case was in every view sufficient. There was no misdirection, for Carneal did live in Campbell county. His actual residence was well known to the postmaster in Cincinnati, and the description did not and could not mislead him. If the direction was observed, it would be sent to Covington, or would be delivered at Cincinnati. If not, it would be sent at furthest to Newport. Then was the notice in fact duly given, or duly sent through the proper post-office ? We are all of opinion that it was. The post-office at Cincinnati was almost as near to the party's residence as Covington. The difference is too trifling to afford any just ground of preference ; and Cincinnati was the place where

he was most likely to receive the letter promptly, since it was the place of his business, and of his habitual and almost daily resort. If it had never been transmitted from that office at all, we are not prepared to say, that under such circumstances the notice left there was not of itself sufficient, since the party was known there, and his description unequivocal. It does not appear in point of fact that it ever did leave that place for any other post-office. If it did not, the strong presumption is that it was there delivered to the party. But if it was sent to Newport, how can the court say that it was mis-sent? The party was in the habit of receiving letters there; it was the county seat, and the mail by that route was three times a week, and that by Covington only once a week. The probabilities, therefore, of an early receipt of the letter from this circumstance, might fairly balance any in the opposing scale from the increase of distance, and the intervention of the river Licking. And in fact, the letter would at that time have reached Newport two days earlier than it would have reached Covington. We think it would be inconvenient and dangerous to lay down any rule, that the person sending a notice ought under such circumstances to direct the letter to the nearest post-office. We think that the notice would have been good by either route; indeed good if left at the post-office at Cincinnati." And in another part of the same opinion, Judge Story observes, "It is difficult to lay down any universal rule, as to what is due diligence in respect to notice to endorsers. Many cases must be decided upon their own particular circumstances, however desirable it may be, when practicable, to lay down a general rule. The object of the law, in all cases, is to enforce the transmission of the notice by such a route, as that it may reach the party in a reasonable time."

Again, in the case of the *Bank of the United States vs. Hatch*, the same judge remarks: "In cases of this nature, the law does not require the highest and strictest degree of diligence in giving notice; but such a degree of reasonable diligence as will ordinarily bring home notice to the party. It is a rule founded upon public convenience, and the general course of business; and only requires that in common intendment and presumption, the notice is by such means as will be effectual. The notice in the present case was left at a private boarding-house, where Hatch lodged; which must be considered to all intents and purposes, his dwelling-house. It was left then at the proper place; and if the delivery had been to a master of the house, or to a servant of the house, there could be no doubt that it would have been sufficient. *Stedman vs. Gooch*, 1 Esp. Rep. 4. The notary called at the house, and upon inquiry of a fellow boarder and inmate of the house, he was informed that Hatch was not within; he then left the notice with a fellow boarder, requesting him to deliver it to Hatch. The boarder must be necessarily understood, by receiving the notice under such circumstances, impliedly to engage to deliver it. The question then is whether such a notice, so delivered, does not afford as reasonable a presumption of its being received, as if delivered to a tenant of the house. This is not like the case of a public inn, and a delivery to a mere stranger, who happens to be there *in transitu*, and cannot be presumed to have any knowledge or intercourse with the party. Boarders at the same house may be presumed to meet daily, and to feel some interest in the concerns of each other, and to perform punctually such common duties of civility as this. In our large cities many persons engaged in business live in boarding-houses, in this manner. It is not always easy to obtain access to the master of the house, or to servants who may be safely intrusted with the delivery of notices of this sort. A person who resides in the house upon a footing of equality with all the guests, may well be supposed to feel a deeper interest in such matters than

a mere servant, whose occupations are pressing and various, and whose pursuits do not lead him to place so high a value upon a scrupulous discharge of duty. We think that a stricter rule would be found inconvenient, and tend to subvert rather than subserve the purposes of justice. No case exactly in point has been cited at the bar. That of *Stedman vs. Gooch*, 1 Esp. Rep. 4, approaches near to it; but there the notice was left with the woman who kept the house, at which the party was a lodger. No stress, however, seems to have been laid upon this circumstance, to distinguish it from the case of a delivery to any other inmate of the house, either servant or fellow boarder."

It seems to the editor, that the rule which is here laid down is almost too lax, and that it would not be unreasonable to require the holder of negotiable paper which has been dishonored, when notice cannot be given to the endorser himself, to leave it at the proper place with some person whom the law can presume that he has authorized to receive it, or whose duty it is to deliver it. It is the business of the master of a house, and his servants, to take care of any package that may be left for a boarder, and to see that it reaches its destination. And for any injury arising from their carelessness, the law would give a remedy. In the case of a fellow boarder, it is a mere act of civility, undertaken gratuitously, not supposed to involve any personal responsibility, and from whom in any event the law would require a less degree of care and fidelity. The case of the *Bank of the United States vs. Corcoran*, 2 Peters, 121, although not parallel in its circumstances, would seem to require from the endorser the exercise of greater diligence than is consistent with some expressions in the opinion of Judge Story. *Corcoran*, the endorser, at the time of the notice, lived in a house in Georgetown, the lower front room of which was occupied separately as a store, by his son James Corcoran, there being a distinct entrance to the dwelling part of the house by an alley, apart from the store. At the time of the maturity of the note, the defendant was postmaster of Georgetown, and kept the post-office in another part of town, and was in the habit of transacting his private business at it. He was, however, very often in and about the store of his son, and written communications had been frequently left for him there, as well as at the dwelling-house, especially before he became postmaster, some twelve months previous; and it had been the habit of the son, if present when such notices were delivered, to direct the bearer to take them to the post-office, or if left in his absence, to take them there himself; the son at that time lived with his family in another house. The court said that a notice left for the elder Corcoran at the store was not a good service. In this case there was as strong a probability that the notice was in fact received, as in the case of the *Bank of the United States vs. Hatch*; but there was no circumstance from which the law could raise such a presumption, as it may and must do, where the notice is given to one whose duty it is to deliver it.

Suppose, however, that the residence or place of business of the endorser is closed, what is the duty of the notary? This question came up for consideration in the case of *Williams vs. the Bank of the United States*, 2 Peters, 96. The notary of the bank called at the house of the defendant, Williams, who was the endorser of the note on which suit had been brought, to inform him of its dishonor. He found the doors closed and locked, and upon inquiry of the nearest resident, was told that Williams had left the city with his family, on a visit, but for what period was unknown. The notary, without making any further inquiries, or trying to ascertain whether Williams had appointed an agent to attend to his business during his absence, left the notice at an adjoining house, with a request that it should be delivered to Williams upon his return. The question was as to the suffi-

ciency of the notice, and the following is the opinion of the court on that point, as delivered by Mr. Justice Washington.

"The general rule of law applicable to the subject has long been settled; that, to enable the holder of a bill of exchange or promissory note to charge the endorser, it is incumbent on him to prove that timely notice of the dishonor of the bill, or of the non-payment of the note, was given to the endorser, or if this could not be done, he must excuse the omission by showing that due diligence had been used to give such notice.

"If the parties reside in the same city or town, the endorser must be personally notified of the dishonor of the bill or note, either verbally or in writing; or a written notice must be left at his dwelling-house or place of business. Either mode is sufficient, but one or the other must be observed, unless it is prevented by the act of the party entitled to the notice.

"In the case now under consideration, the banking-house of the defendants in error, and the dwelling-house of the plaintiff, were located in the same city. The notary called at the plaintiff's house, which he found shut up, and the door locked. Upon inquiry of the nearest resident, he was informed that the defendant with his family had left town on a visit, but for how long a period was unknown to this person; no further attempt was made to ascertain where the plaintiff in error was gone, or whether he had left any person in town to attend to his business. The question to be decided is, whether under these circumstances the defendants are excused for not having given the notice which the law requires?

"In the case of *Goldsmith and Bland, Bayley on Bills, 224*, note, it was decided that it was sufficient to send a verbal notice to the defendant's counting-house, and if no person be there in the ordinary hours of business to receive it, it is not necessary to leave or send a written one. The principle of this decision is, that the counting-house of the defendant is the place in which the holder was entitled, during the regular hours of business, to look for the person for whom the notice was intended, or for some person authorized by him to receive it; and that the omission to give it, was occasioned, not by the want of due diligence in the holder, but by the fault of the party who claimed a right to receive it.

"The principle here stated is not peculiar to this class of contracts. If a party to a contract, who is entitled to the benefit of a condition, upon the performance of which his responsibility is to arise, dispense with, or by any act of his own prevent the performance, the opposite party is excused from proving a strict compliance with the condition.

"Thus, if the precedent act is to be performed at a certain time or place, and a strict performance of it is prevented by the absence of the party who has a right to claim it, the law will not permit him to set up the non-performance of the condition as a bar to the responsibility which his part of the contract had imposed upon him.

"The application of this general principle of law to the subject before us, may be illustrated by other cases than the one immediately under consideration. The holder of a bill or promissory note, in order to entitle himself to call upon the drawer or endorser, must give notice of its dishonor to the party whom he means to charge. But if, when the notice should be given, the party entitled to it be absent from the state, and has left no known agent to receive it; if he abscond, or has no place of residence which reasonable diligence used by the holder can enable him to discover, the law dispenses with the necessity of giving regular notice.

"So where the parties, as in this case, reside in the same city or town, the notice should be given at the dwelling-house or place of business of the party entitled to claim it; and the duty of the holder does not require of him

to give the notice at any other place. If the giving of the notice at either of these places be prevented by the act of the party entitled to receive it, the performance of the condition is excused.

"In this case, the notary called at the dwelling-house of the endorser, at the regular time and at a seasonable hour, for aught that appears, to serve the notice, and found the house shut up, the doors locked, and the family absent from town upon a visit of unknown duration to the agent of the bank, or to his informer. What was he to do? He was not bound to call a second time, nor was he under any obligation to leave a written notice; even if he could have found an entrance into the house.

"But it is insisted that the defendants in error were bound, under the circumstances of this case, to give notice to the plaintiff through the channel of the post-office; and the case of *Ogden vs. Cowley*, 2 Johns. Rep. 274, is relied upon in support of this position.

"In that case the notary called at the house of the endorser, and of his deceased partner, for the purpose of giving them notice of the non-payment of the note, but found their house locked up, and on inquiring at the next door, was told that they were gone out of town. On the same day, the notary put a letter into the post-office in the city of New York, addressed to the defendant and his partner, informing them of the non-payment of the note, and that they were looked to for payment. It appeared that at that time the yellow fever prevailed in the city. The court decided that all proper steps were taken to communicate the requisite notice to the endorser, and that the notice was of course sufficient.

"It may be remarked upon this case, that the absence of the endorsers from their houses was probably the consequence of a temporary removal from the city, on account of the prevailing sickness, and that the case does not inform us whether the place to which they had removed was known to the notary. We are not prepared to say, that in such a case, the parties entitled to notice were bound to be at their dwelling-houses, or to have any person there at the time the notary called to receive notice, and consequently that their absence, and the closing of their houses, ought to have excused the holder from taking other steps to communicate notice to them. But laying these circumstances out of the case, the court decided no more than that the steps taken to give notice, were sufficient in point of law for that purpose; and it is not to be doubted but that they were so. They do not decide that in a case freed from the circumstances before noticed, it was necessary that notice to the endorsers should have been given through the post-office.

"In the case of *Crosse vs. Smith*, 1 Maule & Selw. 545, the cashier called at the counting-house of the drawer, for the purpose of giving him notice of the dishonor of the bill. He found the outward door open, but the inner locked. The cashier knocked, and made noise enough to have been heard, if anybody had been within. After waiting a few minutes, and no person appearing, he left the house, and took no further legal step to give the notice. It was insisted, in opposition to the sufficiency of the notice, that a notice in writing, left at the counting-house, or put into the post-office, was necessary. The answer given by the court was, that the law did not require either mode to be pursued. 'Putting a letter in the post,' says Lord Ellenborough, 'is only one mode of giving notice; but where both parties are residing in the same post-town, sending a clerk is a more regular and less exceptionable mode.' The decision in this case, as to the sufficiency of the notice, was the same as that given in the case of *Goldsmith vs. Bland*, before referred to.

"The case of *Ireland vs. Kip*, 10 Johns. Rep. 490, and 11 Johns. 231, was much pressed upon the court in the argument of the present cause, by the

counsel for the plaintiff in error. We have examined that case with great attention and respect, but have not been able to view it in the same light as it seemed to have struck the learned counsel. The place of residence of the defendant, the endorser, was three and a half miles from the post-office, within the limits of the city of New York, but without the compact part of the city, and without the district of any letter carrier. The case does not state that the endorser had any counting-house or place of business in the city, at which the notice could have been left. The only notice given to the defendant was a written one, put into the post-office in the city of New York, directed to the defendant, and stating that the note had not been paid. The place of the defendant's residence was known to the clerk of the notary, who put the written notice to the defendant into the post-office. The only question decided by the court was, that under the circumstances of that case, the holder of the note was bound to give personal notice to the defendant, or to see that the notice reached his dwelling-house; and that merely putting the notice in the post-office was not sufficient.

"Upon a second trial of the cause, it appeared in evidence, that the defendant had given directions to the letter carriers of the post-office, to leave all letters that came to the post-office for him, at a house in Frankfort street, in the city of New York; that the letter carriers called at the post-office three or four times every day, and took out and delivered all letters left there; and that the defendant usually called or sent every day for his letters to the house in Frankfort street.

"The learned judge who delivered the opinion of the court stated, that, admitting a service of the notice at the house in Frankfort street would have been good and equivalent to a service at the defendant's dwelling or counting-house; still, the delivery of the notice at the post-office, unaccompanied with proof that it was actually delivered at the house, was not notice. He adds, that 'the invariable rule with us is, that when the parties reside in the same city or place, notice of the dishonor of bills or notes must be personal, or something tantamount: such as leaving it at the dwelling-house or place of business of the party, if absent.' Now it is apparent, that the question which arises in the case under consideration, was not, and could not be decided in the case just referred to. The objection to the notice in the latter case was, that it ought to have been given at the dwelling-house of the defendant, and could not be given through the post-office, unless it also appeared that the notice so given reached the dwelling-house, or the house in Frankfort street.

"No attempt was made to give the notice in the former mode, as was done in this case; and the latter mode, so far from being considered as tantamount to the former, or as being necessary in order to excuse the want of personal notice, is declared throughout to be insufficient without further proof.

"The opinion of this court is, that the defendants in error were, under the circumstances of this case, excused from taking any other steps than they did, to give notice to the plaintiff of the non-payment of these notes; and that the judgment of the court below ought to be affirmed with costs."

The question, as to what constitutes due diligence, in finding out the residence of an endorser, when it is unknown, for the purpose of giving him notice, was discussed in the recent case of *Harris vs. Robinson*, 4 How. 336. In that case, a note was handed to a notary for protest, by a bank, it not appearing at the time whether the bank or Robinson, the last endorser, was the real holder. The notary made inquiries of the cashier of the bank, and others not unlikely to know, respecting the residence of the prior endorsers, and then sent them notice according to the information thus received. The notice was not sent to the post-office of the defendant, and the question was,

whether the notary had made sufficient inquiry as to his true residence. The judges were divided in opinion, not only upon the law, but the facts; Judge Woodbury, who delivered the opinion of the majority of the court, holding that the last endorser, who also appeared to be the real holder of the note, possessed no information more accurate than that of the notary, and that, under these circumstances, the latter had exercised sufficient diligence. Mr. Justice McLean, who, with Justice McKinley, dissented, thought it established by the evidence, that Robinson (the holder) was apprised of the proper direction for the notices, and held that under such circumstances, the ignorance of the notary, who was his agent, and who might have held communication with him, furnished no ground of excuse for the failure to give the proper notice. As the judges in their opinions make copious references to all the authorities bearing upon the general question, we have quoted that portion of Mr. Justice Woodbury, which is pertinent to this subject, and the dissenting opinion of Justice McLean.

"The only remaining questions which are material are, whether any further inquiry, and especially of the holder of the note, ought to have been made by the notary, as to the residence of the endorsers, before despatching the notices, and whether the notices sent were sufficient, considering the information he obtained, and his ignorance of the true residence of the endorsers. It was a part of the evidence, that the endorsers lived remote in another state, and that the notary was ignorant of the exact places of their abode.

"Under such circumstances, he was undoubtedly bound to make inquiries of persons likely to be acquainted with their residences. This he did; and, among them, of the cashier of the bank, as the person most likely to be acquainted with the place of abode of those making paper negotiable and payable at the bank, and of another person who had lived in the same county with the endorsers, and not getting entire certainty from either, he sent the notices, addressed as accurately as his information enabled him, to the county where they lived, and from the capital of which the notices would be likely to be forwarded to the endorsers.

"This, in most cases, might be sufficient as to inquiry, and especially where nobody was known to reside near who was able and bound to give fuller and more accurate information on that subject. It would usually satisfy a jury that the due diligence had been exercised which, and which only, the law imposes. Chitty on Bills, 525 (8th American edition;) 2 Campbell, 461. But it is argued in this case, that the holder probably lived in Nashville, and could and ought to have been resorted to on this occasion for such information. Chitty on Bills, 525. This argument is not without force, and might be insuperable if the notary knew who the holder was, and did not obtain otherwise all the intelligence on this subject which the holder probably possessed. But the evidence not showing that he knew him, did he resort to the holder's agent, and obtain from him all the information on this point which the holder himself was likely to have possessed?

"Supposing the bank to have been the holder, the cashier, its agent, was resorted to, and doubtless gave all the intelligence in possession of the bank on this subject.

"But supposing Robinson to have been the holder, which is the only other probable presumption on the evidence, and which is contended for by the defendant, and then the cashier was doubtless his agent to collect the note, and received from Robinson all he knew as to the residences of the prior endorsers, and communicated it to the notary when applying to him on the subject. This is not only the general inference from what would be likely to take place on such occasions, but is strengthened in this case from



the testimony of Bradley, on the part of the defendant, saying that Robinson, a short time prior, had sent notice to him at Huntsville for these parties, stating when the note fell due, and that he requested him to hand them to these endorsers. From this it is obvious that Robinson supposed they resided in Huntsville, or he would have sent the notices to a different place; and he would not probably have desired a resident of Huntsville to hand them to the endorsers, unless he believed they lived in the same place.

"There can be little doubt, on this evidence, that the real holder, whether the bank or Robinson, did give to the cashier all the information the holder possessed on this subject; and that the cashier communicated the same to the notary, and that the latter would have obtained no more had he known and resorted to the holder in person, and that the cashier, in conforming to this information, by addressing notices to Madison county, supposing that, by the rules of the post-office department, they would be sent to Huntsville, the county town, did all which duty required of him.

"Besides the light flung on this subject, and favorable to this conclusion, by some of the general positions in the authorities cited at the bar, there are several precedents which bear more directly on a state of facts such as exists in this case, and which deserve special notice, as they fortify the correctness of the views we have presented.

"In *Stewart vs. Eden*, 2 Caines, 121, the court ruled that the holder was bound to inquire no further than a reasonable and prudent man should, and said, 'We do not exact from him every possible exertion,' or inquiry. Only 'ordinary diligence' is required in inquiring. *Catskill Bank vs. Stall*, 15 Wend. 367. Only 'reasonable diligence.' *Fisher vs. Evans*, 5 Binney, 543. So in *Chapman vs. Lipscombe*, 1 Johns. R. 294, where a bill was drawn and dated in New York city, on persons there, and accepted, but protested afterwards for non-payment, it did not appear that the holder knew where the drawers lived, but sent two notices to them, one addressed to New York and one to Norfolk, it was held that they were good, though the drawer in fact lived in Petersburg.

"In that case, inquiry was made at the banks and elsewhere, and notice was sent in conformity with the information received; but he did not inquire of the acceptors, who lived in New York, and could have told him correctly where the drawers lived.

"In 3 Kent's Comm. 107, it is laid down, that notice need not always be sent to the post-office nearest to the endorser's residence. It suffices, if sent to the nearest which can be ascertained on due inquiry. And in 1 Peters, 578, and 2 Peters, 551, where a notice like this was addressed to the endorser, as belonging to the county in which he lived, the same rule is recognised. It is true, that there the party in fact resided near the county seat, or received some of his letters there, about which there is no particular proof here; but it is said to be proper to address a notice in that way, 'if after due inquiry it is the only description within reach of the person sending the notice.'

"It is enough to send the notices to the place where the information received reasonably requires him to send them. 2 Car. & Payne, 300; 1 Barn. & Cressw. 243; *Bank of Utica vs. Davidson*, 5 Wend. 587. If the place it reaches is the wrong one, he is then not in fault. 5 Yerger, 67. All his duty in this case is to use 'ordinary diligence' on the subject, and not to insure at all events that the notice actually reaches the endorser. 1 Peters, 582; 10 *ibid.* 581.

"In *Barr et al. vs. Marsh*, 9 Yerger, 255, it was held, that the holder was not bound or presumed to know where the endorser lived. But it was enough if the agent of the endorsee or holder made due inquiry, and directed

the notices to the places indicated by the information, though wrong. It was the best that could be done under the circumstances. *Nichol vs. Bate*, 7 Yerger, 307; *Dunlap vs. Thompson et al.*, 5 Yerger, 67. Where so many post-offices exist, the residences of parties change so often, and people live so remote from each other, as in this country, it would clog the circulation of negotiable paper if the holder or his agent was bound to know every alteration in the residence of endorsers. The inquiries were at the bank, and of other persons, in the case of *Barr vs. Marsh*, much as in this instance.

"In *Sturges et al. vs. Derrick*, Wightwick Exch. Cas. 77, an inquiry was made of the son of an endorser as to his residence, and he did not know it, and the court held that 'sufficient diligence had been used.' And in *Stuckert vs. Anderson*, 3 Wharton, 116, the case itself on examination shows that an inquiry of the officers of the bank where the note was discounted is deemed sufficient, if there be no others near who are likely to know more as to the residence of the endorsers.

"Some cases, it is true, have been more stringent, such as 13 Johns. R. 434, and 3 Camp. R. 262; but they do not contradict our conclusions, as in the first one the notice was sent to a wrong place quite remote, and the inquiry is said to have been limited; while in the last, no inquiry was made except at the 'house' where the bill was payable. Most of the cases referred to on this point, of due diligence in making inquiry, are rather cases as to due diligence in respect to the time when the notices are sent.

"Some of those, as bearing on this, allow a very liberal time to make inquiries where the residence is remote, 2 Barn. & Cressw. 246; 8 *ibid.* 293; 2 Dowl. & Ryl. 385; 2 Mood. & Ry. 359; and only require the notice to be sent as soon as information is obtained under proper exertion, 1 Barn. & Cressw. 245; Gow's R. 81; 2 Camp. R. 462. And some go so far as to excuse giving notice at all, if the place of residence at the time is unfixed, 4 Camp. 285, or cannot be ascertained, 10 Peters, 580, and 9 Wheat. 591, before quoted. In the case now under consideration, then, the conclusion seems well sustained, that reasonable inquiries were made as to the residences of the endorsers, and notices promptly despatched, by a proper agent, in conformity with the information received. Whether the notices were actually received or not, and whether, if received, it was not as soon as if they had been directed to the Cross Roads post-office, does not appear, nor is it material, as the circumstances before mentioned show due diligence, and thus make out a sufficient case, whether the notices ever reached the endorsers or not. Let the judgment below be affirmed."

Mr. Justice McLean's dissenting opinion is as follows:—

"I dissent from the opinion of the court in this case with regret.

"The Circuit Court instructed the jury, 'that if they believed that the notary made the inquiries stated in his deposition, and sent notice to the defendant, as therein stated, he being ignorant of his place of residence, that the notice was sufficient to charge the defendant; and that under the circumstances of the case, as proved, it was not necessary to make inquiry of the holder of the note as to the residence of the endorser.'

"The note was given by John P. Burks & Co. to Matth. Burks, for sixteen hundred dollars, in eight months from its date, payable and negotiable at the Planters' Bank of the state of Tennessee, at Nashville. It was endorsed by Matth. Burks, Benjamin D. Harris, the defendant below, and also by J. Robinson, the plaintiff. The note does not appear to have been negotiated at the bank. A. Kingsley, the notary, made a demand of payment at the bank when the note become due, but it does not appear who delivered it to him. Notices of non-payment were directed by the notary to Matth. Burks and Benjamin D. Harris, the two first endorsers, to Madison county, Ala.

"He did not know where these endorsers resided, but Hobson, the cashier of the bank, to whom he applied for information as to their place of residence, informed him that they lived in the above county and state. Similar information was communicated to him by Joseph Estell, but neither of these individuals knew the post-offices nearest to the respective endorsers

"Bradley, a witness, stated, that previous to the maturity of the note, Robinson directed to him, at Huntsville, Madison county, Alabama, notices to all the parties to the note, requesting him to hand them to Harris and the other parties, stating the time when it would become due. And that witness directed the notices to the respective post-offices of the parties. To Harris, he directed the notice to the post-office at 'Cross Roads,' Madison county, Alabama.

"On this state of facts, the court instructed the jury, 'that the notary was not bound to inquire of the holder as to the residence of the endorsers.'

"The notary did not act for himself, but as agent of the holder; and it was proved that Robinson, who appears to have been the holder, resided in the same town with the notary, and knew the proper direction for the notices. Now the holder is bound to give the notice himself, or through his agent; and can he evade the law by employing an agent who is ignorant of the residence of the endorser, which is known to himself? He knows where the endorser resides; is he not then bound to direct the notice as the law requires? It is a new principle in the law of agency, that the knowledge of the principal shall not affect him, provided he can employ an agent who has no knowledge on the subject. The holder is bound to communicate to the notary all the knowledge he has, so that the notice may be properly directed. And if this be not done, and the notice is improperly directed, the holder loses his recourse against the endorser. This seems to me to be clear of all doubt.

"In the case of *Preston vs. Daysson et al.*, 7 Louisiana Rep. 7, it was held, 'that the holder of a bill or note ought not to avail himself of the ignorance of the notary as to the residence of the endorsers in giving them notice of protest; if he knows, he must disclose their residence, or it seems that his neglect will discharge the endorsers.' And this is the case now before the court.

"There was no proof that the notary knew where Robinson, the plaintiff below, resided; but it is proved that he lived in the same town, his name being on the note, and from the fact that the notary gave no notice to him, as endorser, it is clear that he knew he was the holder. In *Hill vs. Varrell*, 3 Greenl. 233, it was held, 'that where the residence of the drawer of a bill is unknown to the holder, he ought to inquire of the other parties to the bill if their residence is known to him.' And in *Hartford Bank vs. Stedman*, 3 Conn. Rep. 489, 'where the holder, who was ignorant of the endorser's residence, sent the notice to A, who was acquainted with it, requesting him to add to the direction the endorser's place of residence, it was held sufficient.'

"'If the holder of a bill uses reasonable diligence to discover the residence of an endorser, notice given as soon as this is discovered is sufficient.' *Preston vs. Daysson et al.*, 7 Louisiana Rep. 7. In *Beveridge vs. Burgis*, 3 Camp. 262, Lord Ellenborough said—'Ignorance of the endorser's residence may excuse the want of due notice, but the party must show that he has used reasonable diligence to find it out. Has he done so here? How should it be expected that the requisite information should be obtained where the bill was payable? Inquiries might have been made of the other persons whose names appeared upon the bill,' &c. In *Bateman vs. Joseph*, 12 East, 433, 'in an action by an endorsee against the payees and first endorser of a

bill, it appeared the plaintiff received notice of its dishonor on the 30th of September, in time to give notice to the defendant on that day; he gave no notice, however, until the 4th of October; to excuse which, his clerk proved that the plaintiff did not know the defendant's residence until that day. Lord Ellenborough left it to the jury, whether the plaintiff had used due diligence to find the defendant's residence.

"In Story on Promissory Notes, 370, note 1, it is laid down—'That merely inquiring at the house where a bill is payable is not due diligence for finding out an endorser. Inquiry should be made of some of the other parties to the bill or note, and of persons of the same name.' And again, in page 368, note—'To excuse the not giving regular notice of the dishonor of a bill to an endorser, it is not enough to show that the holder, being ignorant of his residence, made inquiries upon the subject at the place where the bill was payable; he should have inquired of every other party to the bill.'

"There is no pretence that the bank was the holder of this bill. For the evidence showed that the notary did inquire of the cashier of the bank where the endorsers resided. But the court charged that, under the circumstances, it was not necessary for the notary 'to make inquiry of the holder of the note as to the residence of the endorser;' the court, therefore, referred to Robinson as the holder, and not to the bank. The charge is wholly inconsistent with the supposition that the note was discounted by the bank, for then it would have been the holder, and the proper inquiry, as to the residence of the endorsers, was made of it. The note bears no marks of its having been discounted. That Robinson was the holder appears from the notice he gave to the parties when the note would become due, from the fact that he was not notified as an endorser, and also that he commenced suit as the holder, after the dishonor of the note.

"The turning point in the case is, whether the holder, in failing to give the proper direction to the notices by his agent, the notary, is not answerable for the knowledge he possessed of the residences of the endorsers, which he failed to communicate to the notary. I care not whether or not Robinson knew the post-offices of the endorsers. He had communicated with them through Bradley, the witness, and if the notices had been thus sent, the law required nothing more.

"It will be observed, that the cases cited show the duty of the holder as to giving notice. And it is believed no case has been reported, except the one cited from Louisiana Reports, where it has been supposed that a principal having knowledge of the residence of the endorsers could excuse himself from giving notice to them by a want of such knowledge in his agent. That the notary knew Robinson was the holder is conclusively shown, as before remarked, by not treating him as an endorser. His name was upon the note as an endorser, and he must have understood the purpose for which the endorsement by him was made.

"All the authorities say the holder is bound to use reasonable diligence to ascertain the residence of the endorser; and when he attains that knowledge, is he not governed by it? And if so, is he not equally bound to communicate it to his agent whom he may employ to give the notice? A denial of this principle will overthrow the doctrine of notice, as established for more than half a century.

"I think the judgment should be reversed, and the cause remanded for a *venire de novo*, in the Circuit Court."

*Second, as to the time within which notice must be given:*

The general rule is fully stated in the text, by Mr. Justice Thompson, and we have seen in the case of *Renner vs. The Bank of Columbia*, the effect of usage in controlling and modifying it. In accordance with the English

rule, it was decided in *Bussard vs. Levering*, 6 Wheaton, 102; 5 Cond. Rep. 18; that where the second day of grace falls on Saturday, it is the last day of grace; and notice of non-payment, given to the drawer of a bill on that day, after a demand upon the acceptor on the same day, is sufficient to charge the drawer.

Where there are several endorsers, each is entitled to the same length of time to give notice to his antecedent endorser as the law allows to the holder, but no more. And in the case of *The United States vs. Barker*, 12 Wheat. 559, 6 Cond. Rep. 639, it was held that the same diligence was required of the United States to charge an endorser, when, through its lawfully authorized agents, it becomes the holder of a bill of exchange between private individuals.

*Third, as to the form of the notice:*

This subject was for the first time fully examined by the Supreme Court in the case of *Mills vs. The Bank of the United States*, 11 Wheaton's Rep. 431; 6 Cond. Rep. 372; and there has been no departure since from the doctrine which was then settled. The notary had described the note in the notice of dishonor as bearing date on the 20th of September, when the true date was the 20th of July. The court charged the jury, that if there was no other note drawn by the same persons, Wood and Ebert, payable in the office of the bank at Chillicothe, referred to in the notice, and endorsed by the defendant, except the note in controversy, the mistake in the date of the note made by the notary in the notice, did not impair the liability of the defendant, and the plaintiffs were entitled to recover on this question. Judge Story observes:

"It is contended that this opinion is erroneous, because the notice was fatally defective, by reason of its not stating who was the holder, by reason of its misdescription of the date of the note, and by reason of its not stating that a demand had been made at the bank when the note was due. The first objection proceeds upon a doctrine which is not admitted to be correct; and no authority is produced to support it. No form of notice to an endorser has been prescribed by law. The whole object of it is to inform the party to whom it is sent, that payment has been refused by the maker; that he is considered liable; and that payment is expected of him. It is of no consequence to the endorser who is the holder, as he is equally bound by the notice, whomsoever he may be; and it is time enough for him to ascertain the true title of the holder, when he is called upon for payment.

"The objection of misdescription may be disposed of in a few words. It cannot be for a moment maintained, that every variance, however immaterial, is fatal to the notice. It must be such a variance as conveys no sufficient knowledge to the party of the particular note which has been dishonored. If it does not mislead him, if it conveys to him the real fact without any doubt, the variance cannot be material, either to guard his rights, or avoid his responsibility. In the present case, the misdescription was merely in the date. The sum, the parties, the time and place of payment, and the endorsement, were truly and accurately described. The error, too, was apparent on the face of the notice. The party was informed that on the 22d of September, a note endorsed by him, payable in sixty days, was protested for non-payment; and yet the note itself was stated to be dated on the 20th of the same month, and of course, only two days before. Under these circumstances, the court laid down a rule most favorable to the defendant. It directed the jury to find the notice good, if there was no other note payable in the office at Chillicothe, drawn by Wood & Ebert, and endorsed by the defendant. If there was no other note, how could the mistake of date possi-

bly mislead the defendant? If he had endorsed but one note for Wood & Ebert, how could the notice fail to be full and unexceptionable in fact?

"The last objection to the notice is, that it does not state that payment was demanded at the bank when the note became due. It is certainly not necessary that the notice should contain such a formal allegation. It is sufficient that it states the fact of non-payment of the note, and that the holder looks to the endorser for indemnity. Whether the demand was duly and regularly made, is matter of evidence to be established at the trial. If it be not legally made, no averment, however accurate, will help the case; and a statement of non-payment and notice is, by necessary implication, an assertion of right by the holder, founded upon his having complied with the requisitions of law against the endorser. In point of fact, in commercial cities, the general, if not universal practice, is, not to state in the notice the mode or place of demand, but the mere naked non-payment.

"Upon the point, then, of notice, we think there is no error in the opinion of the Circuit Court."

In the *Bank of the United States vs. Carneal*, 2 Peters, 552, a suggestion was made at the bar, that the letter to the endorser stating the demand, and the dishonor of the note, was not sufficient, because it did not expressly inform the endorser that he was looked to for payment. "But," says the court, "when such notice is sent by the holder or his order, it necessarily implies such a responsibility over, for what other purpose could it be sent? We know of no rule, which requires any formal declaration to be made to this effect. It is sufficient, if it may be reasonably inferred from the nature of the notice."

*S. P. Reedy vs. Seixas*, 2 Johns. Cas.; *Ransom vs. Mack*, 2 Hill, N. Y. R., 588; *Ex'ors of Sinclair vs. Lynah*, 1 Speers' Rep. 244; *Gilbert vs. Denie*, 3 Met. 495; *Cowles vs. Hart, Johnson & Co.*, 3 Conn. 516; *Miers vs. Brown*, 11 Excheq. 372.

In *Platt vs. Drake*, 1 Douglas Rep., Michigan, 296; the notice to the endorser of a promissory note (not required to be protested) stated that the note had been "protested for non-payment, and the holders looked to him for payment of the same." The court held that this notice was insufficient. "The notice must contain words showing directly or by necessary construction, that the note had been presented for payment, and payment refused. A protest is a formal instrument, made by a notary public, alleging the due presentment and dishonor of a bill, and declaring that the notary protests the same for non-payment or non-acceptance, as the case may be; and the statement that a bill or note has been protested, refers rather to the making by the notary, of the instrument denominated a protest, than to the acts which might authorize such protest to be made." This case, it is believed, lays down a stricter rule than is supported by the current of American authorities, which incline to sustain every notice containing averments, from which all the essential facts may be reasonably inferred. A more rigorous doctrine has prevailed in England, but Mr. Justice Story, in his *Treatise on Promissory Notes*, page 429, declares that there is a manifest disinclination in the English courts to extend its operation; if not, indeed, a strong disposition to place the general rule upon a footing more consonant with the common understanding of merchants, and public convenience.

NOTE.—The preceding article is taken from a new and valuable work entitled "*Leading Cases in Commercial Law*, with notes by J. P. Holcombe, Esq., of Cincinnati." Our readers will observe a conflict of opinion in the opinion above given and the decisions mentioned in our next page.—EDITOR B. M.

## NOTICE OF PROTEST—DEMAND—FORM OF NOTICE.

A correspondent at Bangor, has called our attention to recent decisions of the Massachusetts courts, in relation to the phraseology of a notice of protest. We have made inquiry of competent counsel at Boston, upon this point, and are informed that the fact of the demand of payment, should be stated in the notice to the endorser. Some of the notarial notices at that city have, and others have not, contained the fact of demand; but the more recent forms used by notaries, have contained it, and it is now considered one of the requisites of an ordinary notice.

As this is not the practice at other places, as far as we are informed, we annex the form now usually adopted by the notaries of Boston, and refer our readers for decisions upon this point, to Metcalf's Massachusetts Reports, 3 vol. p. 495, 9 vol. p. 174—in which it has been decided as above intimated.

This being a point of some importance to the banking institutions of New England, our readers in that section will, no doubt, examine the subject closely, and give proper instructions to their notaries in the premises. For the information of our numerous bank subscribers, we give, in the present number, the cases bearing immediately upon the subject—viz. *Gilbert v. Dennis*, October term, 1841, and *Pinckham v. Macy*, March term, 1845, in the Supreme Judicial Court of Massachusetts.—The cases now referred to, are, however, at variance with the decisions of the Supreme Court of the U. S., as recited in the preceding page: wherein, it was held, that "it is certainly not necessary that the notice should contain such a formal allegation. It is sufficient, that it states the fact of non-payment, and that the holder looks to the endorser for indemnity."

[EDITOR B. M.]

*Form of Notarial Protest used at Boston.*

*City of Boston, July 4th, 1846.*

*A bill drawn by John Brown for five hundred dollars, dated Boston, January 1, 1846, payable six months after date, at the Citizens' Bank, Boston, in favor of William White and endorsed by you, due this day, is protested for non-payment, by direction of the holder—PAYMENT HAVING BEEN DULY DEMANDED.*

*The holder requires of you payment thereof.*

*Yours, &c.*

JOHN BLACK, *Notary Public.*

## CALEB C. GILBERT, vs. LOUIS DENNIS.

Before the Supreme Judicial Court of Massachusetts, October term, 1845.—Metcalf's Reports, vol. iii. pp. 495-506.

It is a sufficient demand and refusal to constitute a dishonor of a note, if the maker, on the day it is due, calls on the holder at his place of business, where the note is, and declares that he is unable to pay it, and shall not pay it, and desires the holder to give notice to the endorser.

A notice given to the endorser of a note, in the forenoon of the day on which it becomes due, merely stating that the person giving notice holds the note, and that it is due and unpaid, and demanding payment, is not sufficient to charge the endorser.

**ASSUMPSIT** by the endorsee of a promissory note for \$700, dated November 1st, 1837, signed by Charles E. Bowers, payable to the defendant, or order, in six months, and by him endorsed.

At the trial, before *Dewey J.* plaintiff called a witness who testified, that

on the morning of the 4th of May, 1838, Bowers, the maker of the note, called at the plaintiff's store, where the note was, and stated that he was unable to pay it, and should not pay it, and wished the plaintiff to notify the defendant: That afterwards, at about 11 o'clock, A. M. of the same day, the witness left a notice at the defendant's dwelling-house informing him that he held a note signed by C. E. Bowers, endorsed by the defendant, for \$700, which was due that day and unpaid, and demanding payment of the defendant.

The defendant contended that the plaintiff had not proved sufficient demand on the promisor, or notice to the endorser. The judge ruled, that the demand and notice were sufficient, but reserved the question for the consideration of the whole court.

This case was argued at the last March term. *E. D. Sohler*, for the defendant. *Bartlett*, for the plaintiff.

*SHAW, C. J.* In assumpsit by the endorsee against the endorser of a promissory note, the question is upon the sufficiency of the demand on the promisor, non-payment by him, and notice to the endorser. Any question, upon which the rights of the holders of bills and notes depend, must be deemed a question of importance to the community, and will deserve the fullest consideration.

The general rule is clear, that to hold an endorser liable, the law requires the holder, when the note becomes due, to present it to the promisor for payment, and if the promisor neglect or refuse thereupon to make payment, to give seasonable notice of the dishonor to the endorser. But in the application of the rule to actual cases, an infinite number of subordinate questions may arise; as what amounts to a presentment, what a demand, what a refusal or neglect to pay; the time when, the place where, the manner in which the presentment is to be made, what shall be deemed a substitute, what a waiver, what an excuse. So of notice to the endorser; when it shall be given, in the same town, in another town or country, the place to which it shall be sent, his dwelling-house, his counting house, to his agent, his executor in case of death; the person by whom it may be given, the manner of giving it, the form and purport of the notice, whether written or verbal. Of these questions, two only arise in the present case: 1. Was a sufficient demand made on the promisor to constitute, on non-payment, a dishonor of the note by him? 2. Was there such notice to the endorser of the fact of the dishonor of the note by the promisor, as to render him liable in character of endorser?

1. The presentment. A note is payable at any reasonable time on demand, on the last day of grace, and if not then paid, it is dishonored, and notice may be immediately given to the endorser. *Staples vs. Franklin Bank*, 1 Met. 43. *Shed vs. Brett*, 1 Pick. 401. It appears by the report, in the present case, that on the last day of grace, the promisor went to the store of the holder, where the note was, and stated that he was unable to pay, and should not pay the note, and wished the plaintiff to notify the endorser. The court are of opinion that this was a sufficient demand and refusal to constitute a dishonor of the note. There are many cases, in which it is held that it is not necessary to produce and exhibit the note. As where a note is in terms, or by the tacit or express consent of the parties, payable at a bank, it is sufficient that the note is there ready to be given up on payment, should the promisor come to pay it. *State Bank vs. Hurd*, 12 Mass. 172. *Whitwell vs. Johnson*, 17 Mass. 449. *Saunderson vs. Judge*, 2 H. B. 506. If the promisor does not go to the bank and pay the note, it is dishonored, and it would be but an idle ceremony, to take the note from the files and make a demand, when there is no one on whom to make it. And should the



promisor come and declare his inability to pay, his intention not to pay, and leave without payment, it is surely not less a dishonor, than if he had stayed away. The default of the promisor, in such cases, is his not paying the note at the bank; and the default of the promisor, in whatever it consists, constitutes the dishonor of the note, upon which the endorsee, if duly notified, may be legally charged. Even under the law of tender, which is extremely strict, it is held that when the party, to whom a tender is to be made, declares that he will not accept it, an actual production and offer of the money, or other thing to be tendered, is unnecessary. In the present case, the plaintiff held the note, the promisor knew it, knew it was due, and instead of waiting for the holder to come to him, he went to the holder, declared by his conduct that he knew the note was due and payable, and that the holder had the note ready to be given up, and expected and had a right to expect payment of him as promisor; and in anticipation of a presentment and express demand, declared that he could not pay the note, and departed without paying it. It does not appear that the holder did not request him to make payment; and the circumstances are such as to warrant the inference that he did. The declaration of the promisor, that he could not pay, implies that he considered the holder as looking to him for payment, which is all that was necessary, and that he anticipated a more formal offer of the note and demand of payment, by a declaration which rendered it unnecessary.

2. But the more formidable objection to the plaintiff's right of recovering is, that the notice, which is recited in the report, did not inform the defendant, that demand had been made of the promisor and payment refused, or in any other way, by express declaration or reasonable implication, inform the endorser that the note was in fact dishonored.

No particular form of notice is necessary. It may be either written or verbal. *Tindal vs. Brown*, 1 T. R. 167. Nor will a mistake or misdescription of the note render the notice insufficient, if on the whole it cannot mislead the endorser, and if it so designates and distinguishes the note, as to leave no reasonable doubt in the mind of the endorser, what note was intended, and that it was the same with the note in suit. *Smith vs. Whiting*, 12 Mass. 6. *Bank of U. States vs. Carneal*, 2 Pet. 543.

*But though no special form of notice is requisite, still in some form the fact to be notified is, that the note is dishonored by the default of the promisor; and this may be done verbally or in writing, in any language which communicates the information to the endorser, in terms, or by reasonable implication. Indeed the same formula, in terms, may communicate this information or not, according to circumstances. Suppose a note payable at a bank, in terms, or by the agreement of parties, or tacit agreement arising from usage or otherwise; it is the duty of the promisor to pay it at such bank on the last day of grace. The dishonor of such note by the promisor consists in the non-payment at the bank. If then, after the time of payment has elapsed, notice be given to the endorser, that the note is unpaid, it is notice that it is dishonored; whereas, in case of a private holder, in regard to a note, which requires presentment and demand to fix the holder with a default, notice in the same words, that the note is unpaid, would not necessarily imply that it was dishonored, because that fact might be strictly true, though the note had never been presented, nor presentment waived or excused.*

But whatever may be the form of the notice, whether written or verbal, we think the result of the decided cases is this; that the notice should be such, that it will inform the endorser that the note has become due and been dishonored, and that the holder relies on the endorser for payment; that this information may be express, or may be inferred, by necessary implication, or reasonable intendment, from the language; construing such language in

reference to its accustomed meaning, when applied to similar subjects, and with reference to the terms of the note, the time and place at which the note is to be paid, as fixed by express or tacit agreement, or inferred from general or particular usages. It is not necessary to inform the endorser of the time, place or mode of presentment and demand, nor the means by which it was dishonored, nor matter of excuse or waiver. Whatever legally fixes the promisor with dishonor, is sufficient, on due notice given, to charge the endorser. If, for instance, the promisor has absconded before the note is due, without having made provision for its payment, so that no presentment and demand can be made, that is a dishonor, of which the holder may, immediately after the note has become due, notify the endorser; or if the promisor has agreed that notice left at a particular place shall be deemed a good substitute, and, notwithstanding notice is so left, he does not make payment, this is likewise a dishonor.

But without considering further what constitutes a dishonor, it may be useful to examine more particularly, in reference to the present case, the authorities in relation to the effect and purport of the notice to be given to an endorser. The rule is laid down in general terms by the text writers, that notice is to be given of the fact of dishonor. Bayley states the duty of the holder. He is under an implied undertaking to every party to the bill or note, who would be entitled to bring an action on paying it, to present, in proper time, the one for acceptance and each for payment; to allow no extra time for payment, and to give notice without delay, to such person, of a failure in the attempt to procure a proper acceptance or payment. Bayley on Bills (1st Amer. ed.) 124.

In general, it is incumbent on the holder to give notice of the dishonor to those persons to whom he means to resort for payment; otherwise they will be discharged. Chitty on Bills, 393.

In *Tindal vs. Brown*, 1 T. R. 167, and 2 T. R. 186, *note*, it was held that no particular form of notice was necessary, but that such notice must come from the holder of the bill or note, or some party to it, and that mere knowledge of the fact of non-payment, coming to the endorser from any other source, would not be sufficient. It ought to purport that the holder looks to him for payment. The court do not say, in terms, that the notice must directly, or by implication, state the fact of dishonor; but it is implied. The case decides that the holder must do an act, electing to assert his right to recover the note of the endorser, which right can only exist in case of a dishonor of the promisor. The case did not call for a decision as to what must be the tenor or purport of the notice, as to the fact of dishonor. It ought, said Mr. Justice Buller, to purport that the holder looks to him, (the endorser,) for payment. In regard to this it may be remarked, that when notice is given, by the holder to the endorser, of the dishonor of a note, it necessarily implies that he looks to him for payment. That is the natural, and may in general be regarded as the necessary, inference from the fact of giving such notice.

This question seems not to have arisen in England, until a recent period; but since the point has been started, there have been a series of decisions on the subject. The first was *Hartley vs. Case*, 4 Barn. & Cres. 339. S. C. 6 Dowl. & Ryl. 505. The notice from the holder was, "I am desired to apply to you for the payment of the sum of £150, due to myself on a draft drawn by Mr. Case on Mr. Case, which I hope you will on receipt discharge, to prevent the necessity of law proceedings, which otherwise will immediately take place." The court held it insufficient, because it did not apprise the party of the fact of dishonor. They said, the language used

must be such as to convey notice to the party what the bill is, and that payment of it has been refused by the acceptor. This was in 1825.

The next case was that of *Solarte vs. Palmer*. On a trial before Lord Tenterden, he expressed an opinion, that the notice was insufficient. A bill of exceptions was taken, and the case brought before the Exchequer Chamber, who confirmed the decision. 7 Bing. 530. 5 Moore & Payne, 475. 1 Crompt. & Jerv. 417. 1 Tyrw. 371. On appeal to the House of Lords, the judgment was affirmed. 8 Bligh N. R. 674. S. C. 2 Clark & Fin. 93. 1 Bing. N. R. 194. 1 Scott, 1.

The action was brought by the assignees of a bankrupt, and the notice was given by the attorneys of the assignees. It described the bill, and stated that it had been put into their hands by the assignees, with directions to take legal measures for the recovery thereof, unless immediately paid.

In giving judgment in the Exchequer Chamber, Tindal, C. J. states the rule to be, that the notice does not require the formality of a regular protest, but it should at least inform the party, to whom it is addressed, either in express terms or by necessary implication, that the bill has been dishonored, and that the holder looks to him for payment. This was decided in the House of Lords, June, 1834.

The next case, I believe, is that of *Boulton vs. Welsh*, 3 Bing. N. R. 688. S. C. 4 Scott, 425. The notice to the endorser was thus: "The promissory note for £200, drawn by, &c., dated 18th July last, payable three months after date, and endorsed by you, became due yesterday, and is returned to me unpaid. I therefore give you notice thereof, and request you will let me have the amount thereof forthwith." It was strongly urged that the words *returned unpaid* would import to the understanding of mercantile men, that the note had been dishonored. But the court held themselves bound by the case of *Solarte vs. Palmer*, and, believing this case to be within it, held the notice insufficient, although all the judges expressed their regret at the result. But they state the rule of law, as it had before been stated, that the notice should show a presentment to the maker, a demand of payment, and a refusal. As to any thing further than the general rule, this case is of no authority, unless in a case where the form of notice is precisely the same. Whether in such case, the words *returned unpaid* would import the fact of dishonor, would depend much upon the usage of each mercantile community, in which they should be used, and the conventional use and meaning of particular forms of expression used in such community. This was a decision of the Court of Common Pleas, Easter term, 1837.

About the same time was decided, in the Court of Exchequer, the case of *Hedger vs. Steavenson*, 2 Mees. & Welsb. 799, where the attorney addressed a letter to the defendant, informing him that his note, describing it, became due the day before, and had been returned unpaid, and requested him to remit the amount, with 1s. 6d. noting; and the notice was held to be good.

The case of *Messenger vs. Southey*, 1 Man. & Granger, 76, and 1 Scott N. R. 180, was decided in the Court of Common Pleas, in 1840. The notice was as follows: "This is to inform you that the bill I took of you for £15, 2s. 6d. is not took up, and 4s. 6d. expense; and the money I must pay immediately." Held it was insufficient, because it did not state or intimate, by intelligible inference, that the note had been dishonored.

About the same time, the case of *Lewis vs. Gompertz*, 6 Mees. & Welsb. 399, came before the Court of Exchequer. The notice from the holder to the endorser stated that the bill bearing his endorsement had been presented to the acceptor, and returned dishonored, "and now lies overdue and unpaid with me, as above, of which I give you notice." This was held sufficient,

as giving all the requisite information, although it did not, in terms, require payment of the endorser.

The remarks of Mr. Baron Parke, in this case, are well worthy of consideration, as showing the extent to which the court considered the authority of *Solarte vs. Palmer* as going, and the qualifications with which it is to be taken.

In *Grugeon vs. Smith*, 6 Adolph. & Ellis, 499, the notice to the drawer of a bill was, that the bill had been returned with charges; and the immediate attention of the drawer to it was requested. This was held sufficient, as implying a demand and refusal, and noting for non-payment.

See *Houlditch vs. Cauty*, 4 Bing. N. R. 411. S. C. 6 Scott, 209. *Strange vs. Price*, 10 Adolph. & Ellis, 125. *Burgh vs. Legge*, 5 Mees. & Welsb. 418. *Shelton vs. Brothwaite*, 7 Mees. & Welsb. 436. *Cooke vs. French*, 3 Perry & Davison, 596. S. C. 10 Adolph. & Ellis, 131, *note*.

These are all recent cases, bearing more or less directly upon the question, but do not essentially vary the result. Where, in the notice, it is stated that the bill has been noted, or returned with charges of protest, or the like, it is held to be notice, by reasonable implication, of the fact of dishonor.

It was contended at the argument, that although it has been settled by recent authorities in England, that the notice to the endorser must state the fact of dishonor, yet that the American authorities, would show that it was unnecessary. It becomes therefore necessary to examine and compare them.

*Mills in error vs. U. S. Bank*, 11 Wheat. 431. The note was in terms payable at the branch of the U. S. Bank at Chillicothe, and endorsed by the original defendant, plaintiff in error. It was demanded at the proper time, at the bank, but there being no person there ready and willing to pay the same, it was immediately protested, and notice given to the defendants. The notice described the note by the date and amount, the time and place of payment, and as a note on which the defendant was endorser, and stated thus; "which has been protested for non-payment and the holders thereof look to you:" (Signed by the mayor of Chillicothe acting as mayor, and addressed to the defendant.) It was objected that the notice was defective, because it did not state who was the holder; because there was a misdescription of the date; and because it did not state that a demand had been made at the bank, when the note was due. As to the misdescription, it was held to be of no importance, if there was no other note to which it could apply, if it was so described as to indicate the note in suit, and if it did not mislead.

As to the sufficiency of the notice, the opinion was delivered by Mr. Justice Story. Some particular expressions, taken alone, would seem to warrant the position for which it is cited. But taking the whole together, and in reference to the case then before the court, we think it is not opposed to the rule as stated in the English cases. Speaking in reference to the first objection, that the notice did not state who was the holder, the judge says, "no form of notice to an endorser has been prescribed by law. The whole object of it is to inform the party, to whom it is sent, that payment has been refused by the maker; that he is considered liable; and that payment is expected of him."

In reference to the objection, that it did not state that payment was demanded at the bank, when the note became due, he says, "it is certainly not necessary that the notice should contain such a formal allegation. It is sufficient that it states the fact of non-payment of the note, and that the holder looks to the endorser for indemnity." He then speaks of the fact of presentment and demand, as matter of fact to be proved, and adds, "a statement of non-payment and notice is, by necessary implication, an assertion of right

by the holder, founded on his having complied with the requisitions of law against the endorser." One of these requisitions is, of course, presentment and demand. And the learned judge concludes, upon this point, by adding, that "in point of fact the general, if not universal practice is, not to state in the notice the mode or place of demand, but the mere naked non-payment."

In the case then before the court, the notice contained a full and precise statement of the presentment, demand, and non-payment, by the maker. The objection with which the court were dealing was, that the notice did not specify the time and place of demand. The answer made was, that such particularity was unnecessary, and that it is sufficient that it states the fact of non-payment. Applied to the facts of that case, it may be construed to mean, non-payment after due presentment. So, when the learned judge speaks of the practice of commercial cities, he speaks of notice of the mere naked non-payment, in contradistinction to stating, in the notice, the mode and place of demand. That such is the meaning, may be inferred from the passage before cited, in which he speaks of the object of the notice, which is to inform the endorser that payment has been refused by the maker. Refusal implies non-payment on demand, or under such circumstances as render a presentment and demand unnecessary. Indeed in many cases, simple notice of non-payment is notice of dishonor; as where the note is in terms, or by usage or special agreement, payable at a bank, a notice stating the date and terms of the note, showing that it has become due, and averring that it is unpaid, is equivalent to an averment that it is dishonored.

In *Smith vs. Whiting*, 12 Mass. 6, no question was raised as to the sufficiency of the notice. It was notice from a bank. It described the note as due and unpaid; and by usage it was held to be payable at the bank. Of course it was dishonored, by not being paid at the bank by the maker.

So in *State Bank vs. Hurd*, 12 Mass. 172, notice was left at a place agreed by the parties as a substitute for notice at the house or place of business of the maker; and it was held sufficient—being equivalent to a more formal demand; and failure of the promisor to pay, on such notice, rendered the endorser liable.

The case of *Bank of Rochester vs. Gould*, 9 Wend. 279, is a case of mere misdescription. The notice to the endorser stated expressly that the note had been protested for non-payment; and the only question was, whether it was well described. It therefore does not affect the present question.

The case of *Bank of United States vs. Carneal*, 2 Pet. 543, may be considered as throwing some light on the subject of inquiry. It is held, that when the note is payable at a bank, and the bank is itself the holder of it, no demand is necessary. It is the duty of the maker to go to the bank within the usual hours of business and pay it; and if he fail to do so, the note is dishonored. Towards the close of the opinion, given by Mr. Justice Story, it is stated thus: "A suggestion has been made at the bar, that a letter to the endorser, stating the demand and dishonor of the note, is not sufficient, unless the party sending it also informs the endorser that he is looked to for payment. But where such notice is sent by the holder, or by his order, it necessarily implies such responsibility over. The purpose may be reasonably inferred from the nature of the notice."

We have thus attempted, at the risk of being somewhat tedious, to ascertain what the true rule is, upon this subject, on account of the extreme importance of certainty and uniformity in the rules of law applicable to the rights and duties of holders and other parties to notes and bills of exchange. And we take that rule to be, that as an endorser is liable only conditionally for the payment, in case of a dishonor of the note at its maturity by the maker, and notice thereof to the endorser; in order to charge him, notice of

such dishonor must be given him, by the holder or his agent, or some party to the bill; that mere notice of non-payment, which does not express or imply notice of dishonor, is not such notice as will render the endorser liable.

In order to apply the rule, thus stated, to the present case, it will be necessary to look at the facts stated in the report. It appears that the presentment and demand on the promisor were made on the morning of the day on which the note fell due. Afterwards, at about 11 o'clock, the plaintiff caused a written notice to be left at the defendant's dwelling-house, of which the following is a copy: "Boston, May 4, 1838. Mr. Louis Dennis. Sir: I have a note signed by C. E. Bowers and endorsed by you for seven hundred dollars, which is due this day and unpaid; payment is demanded of you.

C. C. GILBERT."

This notice comes from an individual, not from a bank. It was delivered at 11, A. M. There would then be no default and no dishonor, unless a demand had been made on the promisor. An averment, therefore, that it was unpaid, did not, by necessary implication or reasonable intendment, amount to an averment or intimation that payment had been demanded and refused, or that the note had been otherwise dishonored. The court are therefore of opinion, that the notice was not sufficient to render the endorser legally liable.

---

PINKHAM vs. MACY.

Before the Supreme Judicial Court of Massachusetts, March term, 1845. Metcalf, Reports, vol. ix. pp. 174—177.

A notice to the endorser of a note, which merely states that the note remains unpaid, and that the holders look to him for payment, is not sufficient to charge the endorser, although such notice is given by a notary public.

**ASSUMPSIT** on the following note, held by the plaintiff, as executrix of the last will of Seth Pinkham, to whom it was endorsed by the payee:

"Nantucket, April 1st, 1837. At the termination of the ship Obed Mitchell's present voyage, for value received, I promise to pay to the order of Josiah Macy eight hundred and fourteen dollars and forty one cents, with interest till paid.  
James Mitchell."

*Coffin*, for the plaintiff. *Colby*, for the defendant.

At the trial in the court of common pleas, at Nantucket, before *Ward, J.* the signatures of the maker and endorser were admitted; and the plaintiff, to prove demand on the maker, and notice to the defendant as endorser, called *J. M. Bunker*, a notary public, who testified that the defendant had always resided in Nantucket; that Mitchell, the maker, resided there at the date of the note, but that he removed his business and family to the city of New York, before the arrival of the ship Obed Mitchell; that said ship arrived at the bar of Nantucket, on Sunday, June 27, 1841; that the witness, on the next day, took said note, as notary public, and went to the place of business formerly occupied by the maker, in Nantucket, and found it closed; that he then went to the house formerly occupied by the maker, in Nantucket, and found another family residing there, but then presented the note and demanded payment thereof, which was refused; and that he thereupon made and gave to the defendant this notice: "Nantucket, June 28th, 1841. Please to take notice that a promissory note for \$814 41, with interest, dated October 1st, 1837, payable at the termination of ship Obed Mitchell's voyage, now completed, signed by James Mitchell, and endorsed by you,

remains this day unpaid, and that the holders look to you for payment thereof. Done at the request of Seth Pinkham.

"To Josiah Macy." James M. Bunker, Notary Public. (Seal.)

The judge ruled that said notice was not sufficient to charge the endorser; and the jury found a verdict for the defendant. The plaintiff alleged exceptions to said ruling.

SHAW, C. J. The question is, whether due notice was given to charge the endorser. This subject was so fully discussed in the recent case of *Gilbert vs. Dennis*, 3 Met. 495, that it seems only necessary to inquire whether this case falls within the principles laid down in that case. The rule there laid down was, that the notice must be such as to inform the endorser, either in terms or by reasonable implication, that the note was dishonored, that is, that it had been presented for payment, and payment refused, or other act done, which by law is deemed equivalent. It is not necessary to state what has been done; whether an actual demand was made, or that the note lies over at a bank where, by contract or by usage, it was payable, or that the maker has absconded. All this is matter of proof afterwards, to show the fact of dishonor. But the notice must be such as to assert or imply that the note has been presented and payment refused, or otherwise dishonored. It was also stated, that a notice simply that the note is unpaid is sufficient, where, from the terms of the note, non-payment and lapse of time constitute such dishonor. So, when a note is payable at a bank, it is the duty of the maker to pay it at the bank, on the last day of grace. Then a notice dated after bank hours, on that day or the next day, simply informing the endorser, who is presumed to know the terms and purport of the note, that it is, at that time, unpaid, is notice of dishonor. But in regard to a note payable at a place certain, where presentment or inquiry is necessary, in order to make a demand, such a notice, either on or after the day of payment, is not, in terms, or by intendment or implication, notice that it has been demanded, or that it is dishonored.

In the present case, all that was stated in the notice might be strictly true, though no presentment and demand had been made, and though the maker had not left the island, and no inquiry for him had been made. It is, therefore, exactly within the case of *Gilbert vs. Dennis*. It was suggested, in the argument, that there is a difference, because, in the present case, the notice was given by a notary public. But this can make no difference in principle; and we think it would not be expedient for the community that a rule of law so universally important should depend on new or slight distinctions. A notary public, in such case, is the mere agent of the holder. His service is not required, as in case of a foreign bill of exchange, to make a protest. *City Bank vs. Cutter*, 3 Pick. 414.

A case may happen, where a reference to a protest by a notary public, which term implies a demand and refusal, may be important, because it intimates, by implication, that the note has been dishonored: As where the notice of non-payment is accompanied with notice that the holder looks to the endorser for payment, with *costs*, or *fees*, or *charges* of protest. This may be sufficient to show, by reasonable intendment, that it has been protested for non-payment, which is notice of dishonor. But the present notice carries no such implication, but is a simple notice of non-payment, without intimation of dishonor.

There seems to be another good ground of defence, namely, that the demand and notice were too soon. If the arrival of the ship at Nantucket was not the termination of the voyage, then they were too soon. If it was such termination, then it became a day certain, and the note was entitled to grace.

*Exceptions overruled.*

## GREAT BRITAIN AND SPAIN.

Debate in the British House of Commons, July 6, 1847, upon the subject of the  
Protested Bonds of the Spanish Government.

Lord GEORGE BENTINCK then rose for the purpose of moving that a humble address be presented to her majesty, humbly praying her majesty to take such steps as her majesty might be graciously pleased to deem advisable to secure for the British holders of unpaid Spanish bonds redress from the government of Spain. The noble lord said the house would recollect that shortly before Easter he had presented a petition signed by the chairman and the deputy-chairman of the British holders of Spanish bonds, in which they prayed for redress against Spain and for the assistance of that house. In that petition they stated that whilst the debt of Spain to her foreign creditors amounted to £78,000,000, she had for seven years past paid interest for £7,105,000 only, leaving a balance of £70,895,000 upon which no interest whatever was paid. The house would also recollect that there were other creditors of Spain besides the subjects of Great Britain, but he believed there was no doubt that British holders held bonds equal in amount to something like £46,000,000, and it was to recover that money in their behalf that he now presented their case to the house. It would be his duty to show in the first instance that those creditors had right on their side, and having proved that their debt was just, it would be his next duty to show that it had been in vain to seek reparation from Spain, and that it was in consequence of that that the British holders asked for the interposition of the British parliament. There would be no difficulty of showing that by the law of nations from time immemorial the recovery of a just debt from one nation to another was a lawful cause of war, if the one country from whom payment was demanded refused to listen to the claims of the country to whom the debt was due. Not only could he show that such was held by Grotius, Vattel, and other jurists of the greatest eminence to be the law of nations, but that it had also been their practice, and as such had been adopted by this country in every instance, as well from the time of George II, to the peace of Paris, as in 1839 and 1840, when claims were made upon Portugal and several of the South American States. But it would not be sufficient to show that the claims of the British holders were just in themselves, and that this country was entitled by the law of nations to enforce payment of their debts; he must also show that it would be prudent in the government to make a demand in terms of that kind, and that Spain was in the condition, if she were willing, to pay those debts. It was alleged by the petitioners that Spain was able to discharge her debts. It was also shown, that whilst in 1835 the whole revenue of Spain was but £9,990,000, in 1846 it had increased to £12,266,353; and that there was an excess of revenue over the expenditure of £422,581, exclusive of a sinking fund of £991,000. She had liquidated the claims of her home creditors in the most liberal manner; and if it was proved, as it might be, that her expenditure had been upon a most extravagant and improvident scale, there could be no doubt that, if ever there were a case in which one country was entitled to call upon another to pay its debts, and to have recourse to force to compel that payment, it was the present. The population of Spain and her colonies amounted to 15,000,000, or 400 individuals to each square mile; her gross revenue to £12,266,000; and there was a surplus of only £422,581. Yet Prussia, with a population of 700 to the square mile, and a revenue only of 8,600,000 a year, laid by £1,300,000 a year for the payment of her debt. But in Spain



the revenue was wasted. For the royal household alone, for the expenses of the count, one of the most profligate in Europe, no less a sum than £435,000 a year was expended, being upwards of £140,000 more than the queen of England received. (Hear, hear.) She had also advanced a loan of £60,000 to Portugal, besides the supply of 15,000 men, who, he believed, were at the moment in possession of Oporto. Had she been pauperized or bankrupt, it would not have been consistent with prudence or wisdom to take strong measures for obtaining redress; but if ever there were a country which had no claim to mercy it was Spain. There was no doubt about the legality of the debt; it had been acknowledged by succeeding governments of Spain; he now called on her majesty's government to insist on Spain paying what she owed.

He rejoiced to see his noble friend (Lord Palmerston) return to his place and to discuss the question in his presence, because England never had had a minister of more determination in asserting the rights of the country, and demanding by force if necessary, the payment of the pecuniary claims upon foreign countries of the subjects of England. But a prejudice had gone abroad that these debts were contracted at the risk of the parties lending the money. But if they looked at the earlier history of England they would find the reverse of this was the fact. In 1730 the government of Sir R. Walpole endeavored to pass a bill making it illegal to lend money to a foreign state without the consent of the crown; but the government was obliged to mitigate that proposition. It was alleged that the trade in money was as free as that in any other commodity, and the bill was limited to two years, its object being to prevent a loan being raised in England for the emperor, who was supposed to be about to engage in hostilities against this country. In 1735 a loan of £80,000 was raised for the emperor, secured upon the province of Silesia. That province was transferred to the king of Prussia, who refused to acknowledge the debt or pay the interest due on it. But the government of England (the Duke of Newcastle being prime minister at the time,) after taking the opinion of the law officers of the crown, addressed a remonstrance to M. Michell, the secretary of the Prussian embassy, and in consequence of that remonstrance the debt was paid. But the king of Prussia observed the same rule with regard to other countries that England had applied to him; he demanded of Spain a debt due to Prussia, and when the Spanish government refused to pay it, Frederick William seized a Spanish vessel by way of reprisal. He reminded the house of the debts between England and France at the beginning of the last war; British property in France was forfeited by Napoleon; but England did not sit down quietly under it, and the debt was afterwards paid. The debt of Spain had been contracted at a higher rate than the public debt of England between 1804 and 1814; it had been contracted at £65 for every £100 stock; the English debt for that period was borrowed at 60½. At the close of the war there were claims on the Portuguese government from Lord Beresford, the Duke of Wellington, and others, on account of the Auxiliary Legion. The payment of that claim was delayed by the government; and what was the language held by his noble friend? That it must be settled, with the interest due on it. Lord Howard de Walden was instructed to inform the Portuguese government that if it hesitated to pay it, it would be compelled to do so. There was a long correspondence on the subject, but he had discovered an antiquated document, which contained all the proceedings; it was *The Times* newspaper for the month of November, 1840; on the 4th of November that journal published a note of Lord Howard de Walden to the Portuguese government, dated the 24th of April in the same year; this was the language the English minister was instructed to use to the government of Portugal:—

"The undersigned has therefore been instructed to propose to the government of her most faithful majesty a convention for the settlement of these claims, a draft of which he has the honor to enclose, and to declare to the government of her most faithful majesty, that solely in the event of the proposed convention being agreed to without delay will her majesty's government be satisfied. With respect to the claims which the Count de Villareal enumerates, and which his excellency states the Portuguese government had to make against her majesty's government, arising out of transactions which took place twenty-five and thirty years ago, and which are vague and undefined, it appears singular to her majesty's government that such claims, if well founded, should have remained dormant during the long period of time which has elapsed since the events upon which they are said to be founded, and that they should not have been ever alluded to till this the last stage of the discussions between the two governments upon the British claims.

"Her majesty's government cannot, therefore, admit the tardy mention of these alleged claims on the part of Portugal as any reason for further procrastination or delay in the settlement of the just debts of Portugal towards Great Britain, although her majesty's government are perfectly ready to investigate and discuss those claims whenever they shall be brought forward by the Portuguese government in a definite and specific shape. Her majesty's government abstain from re-arguing with the present ministers of her most faithful majesty cases which have long been finally determined; or from discussing the ground of demands which have been made many years ago by Great Britain upon Portugal, not as matters for negotiation, but as just redress, for injuries committed upon British subjects in Portugal. There being, therefore, no question involved in the consideration of the proposed convention which requires any length of time for decision, the undersigned is instructed to declare, that unless he is able to return the proposed convention ratified within a fortnight, her majesty's government will proceed to take such steps as may appear to them to be proper for the purpose of obtaining redress, after having so repeatedly and earnestly, though in vain, claimed it from the government of Portugal."

That energetic language of the noble lord (Palmerston) had the desired effect; the claim, amounting to £296,470, with interest due, £45,348, was paid. Of that £160,000 with interest was due to the British government; £85,081 to Lord Beresford; £17,837 to the Duke of Wellington; and £16,383 to Lord Stuart de Rothesay. The noble lord then read extracts from diplomatic correspondence with the states of Columbia, Venezuela, and New Granada, pressing for the payment of debts due by those states. He had now shown that this course had been pursued, whether the claim had arisen from merchandise or property confiscated, or money lent by the subjects of England. It only remained to be asked, whether the debtor was in a condition to pay if force were resorted to? and, secondly, if it could be done at a cost that would render it worth while to make the effort? The noble lord then repeated his estimate of the financial resources of Spain, and added, that her colonies were also rich; the produce of Cuba alone was valued at £9,300,000, while it was only defended by 9,000 military, the whole navy of Spain being but three line of battle ships, five frigates, and twenty small craft. He had proved that every country had a right to call on another to pay debts due to its subjects. England had never hesitated to acknowledge all claims on her. It had paid its debts at the rate of 20s. for every 13s. 4d. it had borrowed. It paid £1 per head according to the number of its inhabitants. All they called on Spain to do was to pay 3s. 6d. per head in discharge of the debts due to England. He stood there as the advo-

cate of the orphans and widows of many veterans in the British service, who, after having fought for Spain, had, influenced by their recollections of the country, invested the savings of their lives in its funds. He was the advocate of those who were, he believed, the weakest and most neglected class in this country; he did not appear in the cause of the Ricardos and the Rothschilds, of the great loan-mongers, (had the debt been due to them he should not have felt so much interest in the question;) his sympathies were arrayed on the side of another class. The noble lord then read a letter he had received from a half-pay commander in the British navy, thanking him for his exertions on behalf of the Spanish bondholders, and stating that in an evil hour he was led to invest £5,000, the savings of a life of hard service in all parts of the world, in Spanish stock. The interest had never been paid, and his necessities had compelled him to sell, or rather give away, his whole right in it; he had, therefore, nothing to gain; but still he hoped the efforts made might be successful. He appealed to the government to perform the duty recognized by all civilized states, and demand the settlement of these engagements. The noble lord concluded by moving an address to her majesty.

Lord PALMERSTON said—I am not going to express any material difference in principle from the opinion stated by the noble lord, although I differ from him as to the practical application of it, and as to the degree to which he proposes to the house to enforce it. The noble lord has quoted passages from the writers on the law of nations, who have laid it down that one government is entitled to demand of another redress for wrongs done against a subject of the complaining state, and that, if that redress is denied, there may be an application of force, in way of reprisal, or in any other manner of which the complaining government may be capable. I fully admit all the extent of the principle laid down; at the same time I am sure the house will see there may be a distinction on the point of expediency and established practice as to the application of the principle to particular and different cases. If, for example, the government of Spain were violently to seize the property of British subjects, while this country was on terms of amity with it, it would be the duty of the English government to demand redress. If any transaction is founded on a previous compact between two governments, or has the previous sanction of the government whose subject is the complainant, in any case of that sort it has been the practice of Great Britain to demand and insist upon redress. If any act of injustice or persecution is committed on a British subject engaged in trade and commerce, there is no question as to the course the English government ought to pursue; but a distinction has been drawn between ordinary transactions between British subjects and the subjects of another country, and transactions between British subjects and the government of another country. (Hear, hear.) When a British subject suffers injustice from the subject of a foreign power, his application is to the laws of that country; if those laws are not properly administered, then the British government steps in, and demands either that the laws shall be properly executed, or that redress shall be given by the government of that state. It is for the advantage of this country to encourage dealings between its subjects and those of foreign powers; I do not know that it is for the advantage of this country to give any great encouragement to British subjects to invest their capital in loans to foreign states. (Hear, hear.) I think it inexpedient, for many reasons, to expose British subjects to loss by trusting governments which are not trustworthy; and if the principle were established in practice, that the claims of British subjects would be enforced by the arms of England, it would subject the government to the liability of being involved in serious disputes with foreign powers, on

matters with regard to which the government of the day might have had no opportunity of being consulted, or of giving an opinion one way or the other. (Hear, hear.)

If British subjects come to the government, and say "We are disposed to advance money to such and such a foreign state, will you undertake to compel that state to make good its engagements, should it fail to do so?" and if the government does undertake to give that assurance, then, should the foreign state not perform its obligations, there can be no question as to the conduct the British government ought to pursue. That question has been more than once put to the government of which I have been a member, and it has invariably been my duty to reply, the government could be no party to such an engagement, that they must advance the money on their own risk, and not expect, should the foreign state to which they lent it fail in its obligations, that England, as a nation, would adopt means to obtain them payment or redress. And the prudence of the parties putting the question has, on these occasions, been such as to induce them to act as might be expected, after the answer I felt it my duty to give. Still, I do not deny the doctrine of the noble lord, setting aside the matters of expediency, and putting out of view the question whether it is politic or not for the British government to undertake such engagements, that England has, strictly speaking, a right to take the steps the noble lord proposes; but I think, in the present state of the transaction, it would not be expedient to concur in the address the noble lord has moved. I am quite sensible of the great importance of the subject to vast masses of her majesty's subjects, and that debts are owing to them to an enormous amount. I have no doubt, too, that these debts have been contracted, as my noble friend has stated, not merely towards the few great capitalists, whose losses I should not, however, have seen with such complete indifference as my noble friend has expressed, but that these debts are owing to a vast number of persons of most limited and contracted fortunes, men who have invested the small savings of an industrious life, the small remnants of a dilapidated fortune; some, no doubt, investing them as speculations, being tempted by the high rate of interest promised them; but the greater number really, as I believe, acting from generous impulses at seeing these countries struggling in difficulties and engaged in conflicts for the liberty we now enjoy. (Hear, hear.) I am persuaded that generous and good feelings operated on a great number of men, and induced them to advance their money in these loans. (Hear, hear.) And that, sir, adds, I would say, to the baseness (cheers) of the governments who have broken their engagements, and have not fulfilled their pledges. (Hear, hear.) Sir, I cannot retract the expression, (cheers) because there is hardly one government which is indebted in this manner to British subjects who might not have paid, if not the whole, at least some portion of the interest on the debts which they have contracted. (Cheers.) Instead of doing this, they go on squandering away their resources, allowing their revenues to be plundered and pillaged in the collection, and permitting even members of the administration to amass fortunes by the misapplication of the public funds, (hear, hear,) so that one-half of the revenues are not collected, and a great portion of the other half goes to purposes unconnected with the interests of the country. (Hear, hear.) And then they come forward in the form of paupers to tell us they are unable to meet their engagements. I am aware that some of the South American states may really for a time have been unable to meet their engagements. I believe that Spain also during a portion of the civil war in that country was in difficulties, which would have justified the demand for forbearance on the part of her creditors. But, sir, Spain is no longer in that position. (Hear, hear.) The public income of Spain has

doubled within the last ten years. (Loud cries of "Hear, hear.") And why is the income of Spain not larger? Because Spain chooses to persevere in a system of commercial restriction and exclusion, by which she positively makes her income inadequate to her expenditure. Why, sir, Spain goes on to this day, in spite of all the experience and example of other countries—in spite of all the lessons which have been read to her—in spite of all the discussions and debates on this subject which have taken place all over the world—shutting her eyes to facts and her ears to reason—she goes on excluding and prohibiting a great portion of the commerce which would naturally flow into her ports. (Hear, hear.) At this moment, I believe I do not at all exaggerate the facts, for I have heard from a person well acquainted with what he spoke about, that there are in Spain not less than 130,000 persons professionally employed in carrying on the smuggling trade. It is a monstrous thing, but I cannot disbelieve it, from the way in which it was stated to me. There are also 12,000, or 15,000, or perhaps 20,000 more persons, professedly employed in watching those smugglers. There are, therefore, 150,000 of the population of Spain employed in one way or another in this contraband trade. These are all the most active part of the population, and they must be so, and if their labor were employed in industrial pursuits, they would be most valuable instruments in adding to the public wealth of the country. (Hear, hear.) At present they are employed in that province of commerce which is assigned to the distributors of wealth. (A laugh.)

Then, sir, when the Spanish government are urged to abolish these prohibitions, and to allow these commodities so smuggled to come in upon the payment of moderate duties, they say, "We are unable to do it: we must give protection to native industry!" (A laugh.) But the "native industry" which they protect is really nothing but the industry I have been describing; because, as to Spanish manufactures, the simple fact is, that the greater part of the commodities smuggled into Spain, (a great part of the cottons and silks which are said to be produced by the industrious artisans of Catalonia and other provinces,) are really introduced by three or four houses in Barcelona, by great smugglers, by capitalist smugglers, who regularly receive from Manchester and Lyons cottons and silks of English and French manufacture, which are stamped with the Spanish mark, and which are afterwards distributed throughout Spain as the produce of Spanish industry. Spain, therefore, loses all the revenue which she would derive from levying moderate and proper duties on the commodities now smuggled into the country, and no sort of industry is protected and encouraged except that industry of smuggling which tends to demoralize the people, to engender hatred or contempt for the law, and which makes the man engaged to-day in smuggling become to-morrow a robber, and which leads the man who carried the contraband goods over the mountain one day to carry off the unoffending passenger up the mountain the next day in order to get possession of his property. (Hear, hear.) That is the state and principle of commerce under which the Spanish government voluntarily sacrifice a large annual income more than sufficient to pay all their foreign creditors, and which income might be received without injuring any Spanish interest whatever but that which I have just now described. (Loud cheers.) Sir, I am afraid, however, that the endeavors which the British government have from time to time made to persuade successive Spanish governments to alter this most foolish and absurd system, are in no small degree counteracted by influences coming from other parts of the world. (Cries of "Hear, hear.") I will be bold enough to say that successive governments of France have from time to time opposed obstacles to any plan for liberalizing the commerce of Spain.

It is a most unfounded jealousy that produces this evil. The changes we desire are just as desirable for France as for England. (Hear, hear.) I do not believe, indeed, that England would gain much by any change, because trade will find its way, and where there is a demand there will be a supply. And if Bonaparte, in the plenitude of his power, was unable by his Berlin and Milan decrees to prevent the introduction of British commodities into continental states, it is not to be supposed that the government of Spain—so weak even in its centre of action and so perfectly impotent, as it is, in its circumference—will be able to carry its exclusiveness into full and complete execution. (Hear, hear.) I hope that the Spanish government, from a regard for its own interest, will sweep away these absurd prohibitions, and thereby place itself in the receipt of a revenue which will enable it without any difficulty whatever to pay off its foreign debt—(if there be any difficulty at present, which I do not believe)—and do justice to the claims of the British creditor. (Hear, hear.) I confine not what I say to the government of Spain, because though the motion of my noble friend is limited in its application to the debts due from that country, yet in principle it applies to debts due from other countries as well, and there are millions which are nominally due from other states. It appears, from a despatch read by my noble friend, that many of the states indebted to this country are applying—or misapplying, as I should say—the interest on the debts due to this country to what they call the public service, but which is really the malversation incident to the organization of these administrations. I have no doubt that this money is no longer theirs—that these governments are only receivers for the foreign creditor, and that they have no right to apply a single farthing to any service of their own, however urgent that service may be. They ought to pay the interest on their debts first, and then see what remains; and then, if the revenue is not sufficient, lay on fresh taxes, or else confine the public expenditure to the income. I think that is a doctrine indisputably true, and I hope that the discussions in this house and the opinions proclaimed in public here may bring these governments, in proportion as they become more settled, to see that not only their honor, but their interest, requires them to make good their obligations. (Cheers.)

I will admit that many of the South American states have been in a state of internal confusion, which has afforded some excuse for the neglect of their undisputed obligations. I heard a remark lately made by an intelligent citizen of the North American Union, who said, "There is the difference between us and our South American neighbors, that they use the cartridge-box and we use the ballot-box. (A laugh.) We think that the latter is the least troublesome, and that it leaves us more at liberty to attend to our domestic affairs." Sir, I am happy to say that the South American states are beginning to leave off their cartridge-box, and I hope that they will soon set a good example by paying what is due from them. I hope that the rest will follow that example; and if it be set by those who have hitherto been in the habit of dealing with the cartridge-box, I should hope it will not be lost on those who have been in the habit of dealing with the ballot-box. (Cheers and laughter.) The North American states really are able to pay, and have no excuse for not paying the demands against them. They have no internal revolutions; they have no military dictator, and no civil war which can justify a breach of public faith on their part towards their foreign creditors. (Cries of "Hear, hear.") Sir, I should hope that the North American states will not wait until an example is set by their South American brethren, but that they will previously have wiped from their history that blot which must be considered as a stain upon their national character. (Hear, hear.) I do not differ from my noble friend so far as this goes. And, if it were the policy,

the wise policy of England, to lay it down as a rule to enforce obligations of this kind with the same rigor as those of a different character, I think we should have a fair and full right, according to the law of nations, to do so. (Loud cheers.) My noble friend has quoted the case in which compensation was made to British subjects, at the peace in 1814, for property in France which was confiscated during the war, and also the case in which the government recovered from Portugal the payment of the claims of Marshal Beresford, the Duke of Wellington, and other British subjects. It is right, however, to state that there is a wide distinction between those cases and that which is the object of the present discussion. My noble friend will find that Lord Castlereagh, in arranging the conditions of the treaty of 1814, distinctly made known that stipulations had been entered into for that compensation, because, by a prior treaty, the French government were not at liberty to make that confiscation, and that, therefore, compensation was exacted from them. But he warned the public, that, in future cases, when British subjects, without the sanction of the British government, invested their money in the French funds, the government of this country would not be responsible for the fulfilment of those obligations. With regard to the claims of Marshal Beresford and the Duke of Wellington, the employment of those officers by the Portuguese government had been previously sanctioned by the British government; and the engagement was, therefore, held to be contracted between the governments of Portugal and Great Britain. There was thus a special reason why the Portuguese government should be called upon by the government of this country to fulfil their engagements. Sir, I do not wish to modify or do away with the assent I give to the general principle laid down by my noble friend, (hear, hear;) and though I entreat the house on grounds of public policy not to impose on the government the obligations which the adoption of this address would throw upon them, I take this opportunity of reminding those governments who may be debtors to the British people that the time may come when this house can no longer sit patiently under the wrongs and injustice inflicted upon the subjects of this country, (cheers)—that the time may come when the British nation may no longer see with the same tranquility, £150,000,000 due to English subjects, the interests and principal of which are alike unpaid; and that if more proper efforts adequately to fulfil their engagements are not made, the government of this country, whoever may be the men who compose it, may be compelled by public opinion, aye, and by the votes of parliament, to deviate from the hitherto established practice, and to insist upon the payment of those debts. (Cheers.) Sir, that we have the means to do so, I do not for one moment dispute. It is not that we are afraid of any of these states, or of one or all of them put together, that we have abstained from taking the steps which my noble friend has urged upon us. I trust that we shall always have the means of obtaining justice from any country on the face of the earth, and also of compelling them to discharge their just obligations to us; and, therefore, let no foreign country that has done a wrong to British subjects deceive itself by the false impression that the British nation and the British parliament will forever remain acquiescent and passive under the wrong; or, that whenever they call upon the British government to interfere and enforce the rights of the people of England, the government will not have ample means and power to obtain for them a full measure of justice. (Loud cheers.)

Mr. HUME trusted that the speech of the noble lord who had just sat down would have its due effect. He regretted the conduct of the North American repudiation states, which had very much shaken his good opinion of that country.

Lord G. BENTINCK said, that after the tone taken by the noble lord he was sure that nothing was left to be wished for by the Spanish bondholders. (Cheers.) In the language of his noble friend, coupled with the course which he had taken on former occasions, the British holders of Spanish bonds had a full security that the noble lord would, in their case, exercise the same energy which he had exercised with respect to other subjects of the crown. After such an intimation as the noble lord had given to the Spanish government, he had no doubt they would set to work with very little loss of time to do justice to the foreign creditors of Spain. (Hear, hear.)

Mr. P. BORTHWICK was sure that the speech of the noble lord would attain the object in view more effectually than if he had marched an army into Spain. The refusal to pay the interest upon the foreign debt was only another proof of the profligacy of recent Spanish governments. Since the present dynasty had been established in Spain, church property to the amount of no less than £270,000,000 sterling had been sold, and the proceeds appropriated by the government to that country. Within the last ten years, as they had been told by the noble member for Lynn, the revenue of Spain had doubled; but, notwithstanding this circumstance, and the appropriation by the Spanish government of church property to the value of £270,000,000, the public debt of that country still remained in the state described by the noble lord (Lord G. Bentinck.) The question naturally presented itself, "What had become of all this money?" The fact was, that while the poor creditors of Spain, in England and elsewhere, had been suffering great privation in consequence of the withholding of their interest, the grandees of Spain, or those recently elevated to that rank, and among others Christina, had been rolling in wealth, which had been taken from the pockets of people who had established the dynasty of the daughter of that princess on the throne.

Sir D. L. EVANS said, it appeared from the observations of the honorable gentleman who had just sat down, that no question of this kind could be brought under the notice of the house without an attack being made upon the Spanish dynasty. The honorable member for Evesham had stated that £270,000,000 had been realized by the Spanish government from church property, but in fact the profit realized by the state from that source had been very small. He felt bound to state that the Spanish government had honorably fulfilled the obligations they had contracted with reference to the pensions paid to wounded English soldiers, and to the widows of English soldiers who had been in the Spanish service; and that the amounts due had been paid to the last farthing.

The motion was then, by leave, withdrawn.

~~~~~

ENGLISH NATIONAL DEBT.—I do not know upon what principle it can be presumed that posterity will be capable of supporting that load of taxation, from which the British people so timorously recoil. My observations are intended merely to show that *no plan* of finance will be effectual towards discharging our *present enormous debt*, which has not for its object one or both of these two things: either the exchange of the *perpetuities* for *terminable annuities*, or the establishment of a *permanent sinking fund*, which shall be sacredly and inviolably appropriated for the redemption of its original debt, and to no other use, intent or purpose whatever. *All other schemes are merely palliatives, which give present relief by increasing future danger; or expedients, which postpone a public bankruptcy, by rendering it a calamity more unavoidable and dreadful.* --Bailey on Interest and Annuities.

BANK STATISTICS.

SOUTH CAROLINA.

BANK OF CHARLESTON.

At the annual meeting of the stockholders of the Bank of Charleston, South Carolina, held at their banking house, pursuant to public notice, and in conformity with the terms of the charter, on Wednesday, the 7th July, 1847, the honorable Alfred Huger was called to the chair, and A. Moise, Jr. appointed secretary.

The meeting being organized, Henry W. Conner, Esq. President of the Institution, submitted the following report :

Bank of Charleston, S. C., July 7th, 1847.

GENTLEMEN :

The statements which we now have the honor to submit, will explain to the stockholders the condition of the bank at the present time, with the course and result of its business for the past year.

The nett profits of the year's business after deducting current expenses, it will be seen by reference to the profit and loss account annexed, has been

From which dividends of 3 per ct. each have been paid in January and July to the stockholders, amounting to

Leaving to the credit of the contingent fund account, \$68,254 89.

We have in the mean time to report no loss on any transaction, originating within the year in any of the departments of the bank, except on two domestic bills, for \$1700, and \$1560 80—and one small note of \$100, amounting in the aggregate to \$3,360 80. Some notes of prior date, however, it may be remarked, fell due and were protested in July and August last, amounting to

Which has been lost by the sudden disappearance of one of the parties, who was the drawer or the endorser to the paper and whose name up to that time had been held in good credit. This amount appears of course amongst the debts charged this year to the account of losses chargeable to the contingent fund account.

The general condition of the bank, in reference to its cash liabilities and cash resources is briefly set forth by the following abstract.

CASH ASSETS.

Coin in hand,.....	\$ 423,803 73
Notes and balances of city banks,.....	73,691 59
Due by distant banks,.....	239,502 90
Due by agencies,.....	250,462 27
	<hr/>
	\$ 987,460 49
Foreign exchange,.....	\$ 1,151,279 24
Northern exchange due, and falling due,.....	818,000 00
	<hr/>
	1,969,279 24
United States 6 per cent stock,.....	\$ 430,000 00
State of South Carolina stock, various kinds,.....	424,264 94
	<hr/>
	854,264 94
Other cash securities, equally available,.....	193,670 00
	<hr/>
Total capitalists,.....	\$ 4,004,674 67

CASH LIABILITIES.

Notes in circulation,.....	\$ 1,332,228 00
Private deposits,.....	471,591 00
Due to city banks,.....	4,439 00
Due to distant banks,.....	616,957 00
Due to agencies,.....	193,245 00
	<hr/>
	\$ 2,618,460 00

The following summary will show the monthly average of leading items :

MONTHLY AVERAGES.

Of bills in circulation,.....	\$ 1,492,800	Of coin on hand,.....	\$ 422,195
Deposits,.....	607,449	Foreign exchange,.....	980,533
Due to distant banks,.....	1,033,095	Domestic exchange,.....	1,232,005
		Due from other banks,....	860,694

From the foregoing statements, as compared with last year, it will be perceived that the amount invested in some description of securities, has been much increased within the present year, while in others it has been greatly diminished. For instance, in U. States and State of South Carolina stocks, we are at present large holders, say of the former of the 6 per cent. loan of 1846, \$ 430,000, of the latter \$ 339,303 19, held in England, in the shape of Louisville, Cincinnati and Charleston rail road bonds, guaranteed by the State of South Carolina, which cost us \$ 315,420 27—a part of it purchased during the money crisis in England in the beginning of June last, say, £11,500 at 86; while on the other hand, the personal estate account of last year, has been entirely extinguished, and the real estate account much reduced by the late final and satisfactory disposition of a large estate, real and personal, which, as the only means of saving a heavy debt contracted in 1837, the bank was obliged very reluctantly to become the purchaser. In the resale of this property, we were fortunate enough to realize the principal of the debt in question, and about the one half of the amount of interest that had accrued upon it.

The suspended debt account which has for some time past been under a regular process of settlement, has been greatly reduced within the last year. The amount to the debit of that account proper, is now \$ 57,992 63. Its condition is fully set forth in the report of the suspended debt committee.

In addition to the above, we have also prepared a very full and comprehensive statement of the suspended debt account, from the commencement of the bank to the present time inclusive, showing the particulars of each debt in the account, how and when it originated, how and when it was paid, settled or otherwise disposed of, with the aggregate amounts appearing in each year in the suspended debt account, the amount paid or settled on that account in each year, and the amount taken every year from that account and charged to profit and loss account, with the particulars of the suspended debt as it now stands on our books. This statement, I am directed to say, will at all times be open at the bank, to the inspection of any of the stockholders who may desire to see it.

Besides the quarterly examinations of the cash assets of the bank, which have, according to our uniform practice, been regularly and carefully made by a committee of directors at the end of every quarter during the year; the examination on the present occasion has been thorough and complete throughout every department in the bank. The result of these examinations will be found in the cash committee's report hereto annexed, and the special committee's report, to which reference is respectfully called.

The past season having been in every way favorable for business, the funds of the bank have been kept in active motion, and its transactions have been numerous and large, as will be seen by the following items:

Domestic exchange purchased from July, 1846,	
to July 1st, 1847,	\$ 7,950,308 28
Sterling exchange in same time,	\$ 2,584,281 68
French " " "	507,125 55
	<hr/>
Notes discounted	3,091,407 23
	8,324,411 60
	<hr/>
	\$ 19,366,127 11

The business of the bank in its other departments, shows also an equal increase, and what is a subject of great gratification to us, is to be able to say, that in all the extent and complication of its business, no loss has been made on any of its transactions during the year, other than the small amount of \$ 3,360 80, already referred to.

It is proper also for us to state, and we take very great pleasure in testifying to the fact, that the officers of the bank, in their respective departments, have without exception, continued to discharge their duties, (many of them of an arduous character,) with their accustomed fidelity, zeal and ability.

Our proprietary consist at present of 904 shareholders—568 of whom, hold in their own right \$ 1,879,550; and 336 holding in a fiduciary capacity as trustees, guardians, &c., \$ 1,281,250.

The foregoing report, with its accompanying statements, we trust will enable the stockholders to obtain a correct view of the operations of the bank for the past year. If further information, however, be desired, with regard to any of its affairs, we hold ourselves ready at all times to communicate the information desired to the stockholders, in the fullest and freest manner possible.

H. W. CONNER, *President*.

The committee on the suspended debt having carefully examined the same, respectfully recommend that the sum of \$28,184 23 be transferred to a special account to be called "domestic exchange suspended, and secured by real estate." The items composing this sum are amply covered by property, and therefore cannot be regarded in the light of protested debts. They would further recommend that the sum of \$16,240 59 of domestic exchange protested, and \$21,474 91 of discounted notes protested; making together \$37,715 50, be charged to "losses chargeable to contingent fund." This will reduce the suspended debt account proper, to \$57,992 63, more than half of which may be considered good, and of the other half, the larger portion will most probably be recovered. Besides the above, there is a bond of \$14,624 13 which does not appear in the suspended debt account, which, being doubtful, makes the total suspended debt of the bank \$72,616 76. Of the amount directed to be charged to the account of "losses chargeable to the contingent fund" there will yet be something received, but how much cannot be estimated. Most of the items composing it are good for something, more or less, but they are so very doubtful that they properly belong to this account.

The committee appointed to examine the cash and other property of the bank beg to submit the following report:

That in consequence of "the president recommending the propriety of having a general examination of the cash and specialties of the bank" they determined to spare no labor that the same should be accomplished—they accordingly examined,

First, the bank impressions, and checked each denomination that has been printed from time to time, and the number of each issued. They found this department all correct, and fully stated in the cashier's statement, as contained and set forth in his book of memoranda, under the head of "bank circulation."

They then proceeded to count the notes of this bank in the cashier's possession—they found them also correct, amounting to \$1,293,000, all which will fully appear on reference to the cash book of the bank, and also to his book of memoranda under this date.

They next proceeded to examine into the specie, and after carefully counting and weighing every box and bag (not sealed up and certified,) they found the same correct and amounting to \$249,000.

Say of American gold,	\$64,000 00
" Spanish gold,	56,000 00
" silver,	129,000 00

Making a total of specie, of	\$249,000 00
--	--------------

Lastly, they proceeded to count the cash in the tellers' hands. They found all correct and in order, and amounting in the aggregate to \$524,110 73.

Say in the hands of teller McKinney, .	\$164,656 18
" " " Johnston, .	232,636 09
" " " Sasa, .	126,818 46—
	\$524,110 73

And making the total aggregate of cash on hand this day, \$2,066,110 73, as follows:

In cashier's hands in notes of this bank, \$1,293,000 00	
" " in specie,	249,000 00
In tellers' hands in bills of this bank, .	524,110 73—
	\$2,066,110 73

All which the committee take great pride and pleasure in stating they found kept in admirable method and good order, and they tender to the cashier in particular, and to the officers of the bank generally, their thanks for the prompt assistance rendered them in their arduous labors.

The committee appointed to examine various departments of the bank, as hereafter set forth, beg leave to submit the following report:

1. *Bills Discounted*.—The amount at the debit of this account, as appears by the weekly statement of 15th June, was \$1,333,872 36, and on that day we proceeded to test the accuracy of this balance by an actual examination of the papers held by the cashier to represent it. We went carefully over all the papers, which consist simply of notes receivable, and found the sum of the same to correspond precisely with the balance of the account, viz. \$1,333,872 36.

2. *Bonds and Mortgages*.—The amount at the debit of this account, representing the aggregate of securities of that description held by the bank was \$454,665 12. An examination of the papers as in the preceding case, showed this account also, to be perfectly correct. There was one paper wanting, but the absence of it was explained to the satisfaction of the committee; it was a bond for \$14,624 13 which had been sent to Grahamville, to be reduced to judgment.

3. *Stocks*.—The bank appeared to hold of stocks, the sum of \$746,848 28, under several heads, as follows:

United States 6 per cent. stock,	\$430,000 00
Louisville C. & C. R. R. bonds in Europe, .	271,337 03
State 6 per cent. stock,	26,231 25
State 5 per cent. sterling bonds,	19,280 00—
	\$746,848 28

Of this amount there was in the hands of the } \$156,231 25
 cashier, }
 And he exhibited to us vouchers for sums in }
 the hands of the Bank of Liverpool, } 290,617 03
 amounting to, }
 And in the hands of other agents, 300,000 00—\$746,848 28

These securities are placed with the agents to be used for temporary loans when essential to the successful prosecution of the exchange operations of the bank.

4. *Real Estate.*—This account was examined on the 22d of June—the amount at the debit was \$48,404 10, which was found to be represented by the following property, the titles to which were severally exhibited to us by the cashier—viz.

Banking house and adjacent buildings, . . . \$35,704 98
 Clement's ferry, 289 12
 Five lots on Gadsden's wharf, 275 00
 Tenements corner of Wentworth & Bay-sts., 12,000 00
 Taxes, &c., on property not yet appropriated, 135 00—\$48,404 10

The foregoing, except the banking house and adjacent buildings, had been taken for debt; Clement's ferry sold, but the titles not yet made to the purchaser.

5. *Central Hotel in Macon.*—The amount at the debit of this account is \$5,547 88, being the cost of the property in money; but it was bought in to secure a debt of \$22,500, for which the bank held a lien upon the property; it is amply worth a sum equal to the whole debt; the titles are regularly made to the bank, and in possession of the cashier.

The committee take pleasure in bearing a spontaneous testimony to the admirable system, and lucid arrangement that distinguish the department of the cashier; and the regularity and industry indicated by the books of the transfer clerk; all their examinations had reference to these two departments alone.

LIABILITIES AND RESOURCES OF THE BANK OF CHARLESTON.

Liabilities.	June 30th, 1846.	June 30th, 1847.
Capital stock.....	\$ 3,160,800	\$ 3,160,800
Balances due to distant banks..	301,230	624,458
Balances due to city banks.....	14,833	4,440
Balances due to agencies.....	432,030	193,245
Balances due to government officers.....	2,368	2,427
Discount, premium and interest accounts.....	165,066	180,525
Dividends unclaimed.....	9,047	8,517
Contingent fund.....	266,610	309,490
Individual deposits.....	536,852	471,258
Bills in circulation.....	1,061,114	1,332,228
Total liabilities.....	\$ 6,039,950	\$ 6,287,368
Resources.	June 30, 1846.	June 30, 1847.
Bills discounted.....	\$ 1,741,543	\$ 1,207,564
Domestic bills of exchange.....	1,046,300	922,164
Sterling exchange.....	531,102	1,024,425
French exchange.....	319,723	319,872
Bonds and mortgages.....	460,400	421,365
Suspended debt.....	156,817	4,255,890
		86,177

Bank Statistics.

183

Balances due by distant banks.....	\$ 340,228		\$ 239,502
Balances due by city banks.....	4,038		30,580
Balances due by agencies.....	205,322		250,462
Foreign premium account.....	51,878		79,054
Bonus for charter, &c.....	\$ 53,125		47,500
Personal estate.....	26,737		
Real estate.....	64,224		69,896
Expense account.....	15,602	159,688	16,790
Louisville and Cincinnati R. R. Bonds.	270,560		378,753
Bank of Charleston stocks.....	8,154		
Georgia six per ct. bonds.....	32,467		
South Carolina six per ct. bonds.....	26,231		26,231
South Carolina five per ct. sterling.....	19,280	356,692	19,280
United States six per ct. stock.....			430,000
Losses chargeable to contingent fund...	201,585		249,856
Profit and loss.....	11,105	212,690	
English letters of credit.....		888	
Notes of other banks.....		55,305	44,112
Gold and silver on hand.....		397,331	423,803
Total resources.....	\$ 6,039,950		\$ 6,287,388

LOUISIANA.

BANKS OF NEW ORLEANS.

	Cash liabilities.	Assets.	Circulation.	Specie.
Bank of Louisiana.....	\$ 2,763,136	4,009,777	1,022,626	1,853,980
Canal Bank.....	2,771,910	4,015,787	1,125,650	1,332,342
City Bank.....	1,632,691	2,526,092	671,450	779,682
La. State Bank.....	1,668,544	2,474,270	542,175	725,098
Mechanics and Traders'.....	2,551,431	3,277,495	615,565	1,214,118
Union Bank.....	45,494	1,643,790	26,205	94,853
Non-specie paying.				
Citizens' Bank.....	744,438	33,119	668,200	12,364
Consolidated Bank.....	878,032	36,132	871,925	36,132
Total.....	\$ 13,055,676	\$ 18,016,462	\$ 5,543,796	\$ 6,048,569

	Liabilities exclusive of capital.	Assets.	Capital.
Bank of Louisiana.....	\$ 3,352,135 72	\$ 8,517,116 12	\$ 4,000,000
Canal and Banking Company.....	2,842,704 91	6,995,937 16	3,217,350
City Bank.....	2,023,369 90	4,176,075 27	1,888,600
Louisiana State Bank.....	1,668,543 88	3,545,474 59	1,775,000
Mechanics and Traders' Bank.....	2,551,430 79	4,394,413 26	1,794,350
Union Bank.....	601,266 47	8,023,936 57	4,388,000
Non-specie paying.			
Citizens' Bank of Louisiana.....	7,238,667 75	7,294,967 14	
Consolidated Association.....	1,962,031 99	1,841,494 81	
Total.....	\$ 22,240,151 41	\$ 44,789,414 92	\$ 17,663,000

CHARLES GAYARRE, Sec'y of State.

JOSEPH WALKER, Treas'r of State.

Office Board of Currency, New Orleans, July 28, 1847.

NEW YORK.

Comparative view of the condition of the Banks of the State of New York, at four different periods.

Liabilities.	Nov. 1, 1845.	May 1, 1846.	Feb. 1, 1847.	Aug. 1, 1847.
Capital.....	\$ 42,845,000	\$ 42,829,000	\$ 42,735,000	\$ 43,214,000
Undivided profits.....	5,018,000	5,115,000	5,334,000	5,846,000
Circulation, old.....	881,000	824,000	766,000	735,000
Circulation, registered.....	20,491,000	19,992,000	20,202,000	24,364,000
Due treasurer of the state....	631,000	292,000	372,000	793,000
Due canal fund.....	1,581,000	354,000	912,000	1,290,000
Individual deposits.....	31,774,000	31,721,000	31,830,000	36,781,000
Special deposits.....	760,000		607,000	932,000
Bank balances.....	12,830,000	11,824,000	15,098,000	24,103,000
Due treasurer U. S.....	3,003,000	3,493,000	343,000	
Miscellaneous.....	585,000	550,000	557,000	710,000
Total liabilities...	\$ 120,402,000	\$ 116,995,000	\$ 118,756,000	\$ 138,768,000
Resources.	Nov. 1, 1845.	May 1, 1846.	Feb. 1, 1847.	Aug. 1, 1847.
Loans and discounts.....	69,165,000	66,808,000	64,240,000	73,743,000
Loans to directors.....	4,158,000	4,876,000	4,673,000	4,810,000
Loans to brokers.....	1,458,000	907,000	893,000	2,187,000
Bonds and mortgages.....	3,182,000	3,034,000	3,590,000	2,730,000
Stocks, &c.....	10,963,000	10,990,000	10,223,000	12,414,000
Due from directors.....	33,000	37,000	49,000	19,000
Due from brokers.....	363,000	417,000	547,000	526,000
Total loans.....	\$ 89,322,000	\$ 87,069,000	\$ 84,216,000	\$ 96,429,000
Real estate.....	3,645,000	3,516,000	3,528,000	3,489,000
Bank fund.....	236,000	173,000	173,000	148,000
Loss and expense account....	426,000	384,000	277,000	275,000
Overdrafts.....	133,000	135,000	110,000	112,000
Specie.....	8,885,000	8,172,000	9,191,000	11,983,000
Cash items.....	5,948,000	5,840,000	7,552,000	9,370,000
Notes of solvent banks.....	2,259,000	2,851,000	2,603,000	2,686,000
Notes of suspended banks...	14,000	5,000	4,000	3,000
Bank balances.....	9,534,000	8,850,000	11,102,000	14,273,000
Total resources...	\$ 120,402,000	\$ 116,995,000	\$ 118,756,000	\$ 138,768,000

CORPORATIONS.—Corporations may be formed under general laws, but shall not be created by special act, except for municipal purposes and in cases where, in the judgment of the legislature, the objects of the corporation cannot be attained under general laws. All general laws and special acts, passed pursuant to this section, may be altered from time to time, or repealed.

The stockholders in every corporation and joint stock association for banking purposes, issuing bank notes or any kind of paper credits, to circulate as money, after the first day of January, 1850, shall be individually responsible, to the amount of their respective share or shares of stock, in any such corporation or association, for all its debts and liabilities of every kind, contracted after the said first day of January, 1850.

The legislature shall provide by law, for the registry of all bills or notes, issued or put in circulation as money, and shall require ample security for the redemption of the same in specie. *New Constitution of New York, October, 1846.*

TENNESSEE.

PLANTERS' BANK OF TENNESSEE AND BRANCHES.

RESOURCES.	July, 1845.	July, 1847.
Notes discounted.....	\$ 1,323,682	\$1,374,625
Domestic exchange.....	482,100	780,610
Suspended debt in suit.....	647,842	306,906
Real estate.....	253,044	188,050
Bonds of the State Tennessee.....	107,950	78,750
Stock of the Planters' Bank of Tennessee.....	334,000	481,700
Stock of the Union Bank of Tennessee.....	34,000	10,800
Stock of the Tennessee Insurance Co.....	5,400	5,400
Due from other banks.....	443,230	560,595
Gold and silver.....	401,915	516,876
Notes of other specie paying banks.....	84,643	84,036
Total resources.....	\$ 4,117,807	\$ 4,388,348
LIABILITIES.		
Capital stock.....	\$ 2,248,300	\$ 2,248,300
Office balances in transitu.....		23,285
Due to banks.....	62,598	95,066
Profit and loss.....	219,647	18,222
Notes in circulation.....	1,228,578	1,873,733
Individual depositors.....	351,317	318,612
Unclaimed dividends.....	7,367	10,130
Total liabilities.....	\$ 4,117,807	\$ 4,388,348

N. HOBSON, *Cashier*.

TRADE OF THE WEST.

GEOGRAPHICAL POSITION OF ST. LOUIS—EARLY TRADE—RAPID INCREASE—TONNAGE.

From a Report made for the use of the Chicago Convention, July 5, 1847.

The geographical position of St. Louis is that of the heart of the great central valley of the North American continent—a valley, extending through 21 degrees of latitude, and 15 degrees of longitude, embracing every variety of climate and soil, production and pursuit: a valley, just beginning to smile in its redemption from a state of nature, yet inviting to its ample bosom the outpourings of every over-crowded community of the world, and offering to return to the hand of improvement, supplies for unnumbered millions of the human race. Nature has, in a remarkable degree, endowed the soil with vegetable fertility and mineral riches; exhibited a surface adapted to every taste and want, and cut it with peculiar streams susceptible of application to various species of industry, and to the uses of a magnificent commerce, holding in one embrace, the productions of the northern and southern limits of the temperate zone.

This vast area, this fat and fertile valley, comprehended between the sources of the Mississippi on the north, and the Gulf of Mexico on the south, the Rocky Mountains on the west, and the Alleghanies on the east, though but recently a wilderness, already embraces eleven entire states, and parts

of two others, and two territories; and is busy with the industry, and burdened with the immediate support and all the earthly interests of half the population of the United States of North America. Comprising within its limits 1,200,000 square miles, or 768,000,000 of acres, its importance can no more be calculated than that of the Union itself. Its influence must be co-extensive with the habitable globe, of which it will be the garden and the granary; going beyond the United States, of which it must become the seat of empire, the source of vitality, the diadem of pride, the base of their pyramid of grandeur. The Creator of the universe has no where, on the face of the earth, spread more lavishly the means of human prosperity, or stamped more legibly the lineaments of beautiful and convenient adaptation to the wants and necessities of mankind. Visit it not with the evils of bad government; obstruct not the hand of improvement within it; stay not the tide of population pouring in upon its bosom; and let its broad acres receive that proportion of population which vexes the soil of the kingdom of Great Britain, and the Bountiful Giver of this great and good gift, will smile from heaven upon a happy family of more than 275 millions of human beings. Indeed, looking forward for sixty years, for an increase of population keeping pace with the ratio of the past sixty years, (that is, doubling every ten years,) the world would behold in the year 1907, (sixty years hence) swarming in this valley, more than 640 millions of inhabitants. This astonishing result has for its demonstration, the past statistical history of the country, though it would seem scarcely possible that the past ratio of increase can be maintained. At the first census (1790,) the population of the valley of the Mississippi, did not exceed 200,000. In 1800, it had increased to about 560,000; in 1810, to 1,370,000; in 1820, to 2,580,000; in 1830, to 4,190,000; in 1840, to 6,370,000; and in 1847, according to the preceding average ratio of increase, it exceeds 10,520,000. In the year 1850, according to such ratio, it will exceed twelve millions, and be about equal to the population of all the Atlantic states.

The history of Missouri alone, however, exhibits a still more extraordinary increase. In 1771, the population was 743; in 1799, it was 6,005; in 1810, it was 20,845; in 1820, it was 66,586; in 1830, it was 140,455; in 1840, it was 383,702; and according to the same ratio of increase, (173 per cent. decennially,) it is in 1847, 825,074, being an increase of over 16 per cent. per annum. But while the decennial increase of Missouri, was 173 per cent., that of Illinois was 202, Mississippi 175, Michigan 555, and Arkansas 221 per cent.

The commerce and agriculture of this valley exhibit a growth as surprising as that of its population. The first schooner of the northern lakes, "the Griffin," in 1679, was freighted with the first combination of commercial enterprise and settlement that reached the valley of the Mississippi. Thus the rivers of the valley owe to the great lakes the introduction of commerce and population.

From that period up to the purchase of Louisiana in 1803, and even later, the fur trade of the French immigrants with the Indians constituted a leading pursuit of the inhabitants, especially of the upper half of the valley of the Mississippi. These immense rivers and lakes were navigated from Quebec, on the St. Lawrence, to the Yellow Stone, on the Missouri, by bark canoes, and the Fox and Wisconsin rivers, connecting the lakes with the Mississippi, were a chief thoroughfare of the trade.

Next to the canoe came the Mackinaw boat, carrying 1500 weight to three tons, and then the keel boat or barge of thirty to forty tons. The first appearance of the keel boat, in the Mississippi, above the mouth of the Ohio, of which we have any account, was in 1751, when a fleet of boats, com-

manded by Bossu, a captain of French marines, ascended as far as Fort Chartres. This enterprise also, was the first to ascertain, by experience, something of the nature of the navigation of the Mississippi. One of the boats, "the St. Louis," struck a sand bar above the mouth of the Ohio, was unladen and detained two days. Three days after, says the traveller, "my boat ran against a tree, of which the Mississippi is full; the shock burst the boat, and such a quantity of water got in that it sunk in less than an hour's time." This was probably the first boat snagged on the Mississippi. From three to four months was the time consumed at this period, and for many years afterward, in a voyage from New Orleans to the settlements in the vicinity of St. Louis; a voyage occupying a steamboat in 1819 twenty-seven days! but which of late has been accomplished in less than four days!

The annual average value of the fur trade of upper Louisiana for fifteen successive years ending in 1804, amounted to \$203,750. That part of the province also exported some lead, salt, beef and pork—the Indian goods coming from Canada, those for domestic consumption from Philadelphia and Baltimore; groceries from New Orleans, and hardware in small boats from the Ohio river. The annual exports from the lower part of the Mississippi valley for the year 1802, amounted to about \$2,160,000, and the imports to about \$2,500,000; the exports consisting of sugar, cotton, rice, indigo, furs and peltries, lead, lumber, cattle, horses, beef and pork, tar and pitch. For the year 1846, the receipts at New Orleans from the upper country, amounted to \$77,193,464.

At the period of the introduction of steam upon the Mississippi, 1817, the whole commerce from New Orleans to the upper country, was transported in about twenty barges of an average of 100 tons each, and making but one trip in a year. The number of keel boats on the Ohio was estimated at 160, carrying thirty tons each. The total tonnage was estimated at between 6,000 and 7,000.

In 1834, the number of steamboats on the Mississippi and its tributaries was 230, and their tonnage equal to about 39,000.

In 1840, the number was 285, with a tonnage of 49,800.

In 1842, the number was 450, and, estimating their burden at an average of 200 tons each, their tonnage was 90,000.

In 1843, the number was estimated at 672; tonnage, 134,400.

In addition to the steamboats, there are estimated to be employed on the same rivers, about 4,000 keel and flat boats.

For the year 1844, the enrolled and licensed steamboat tonnage of the western rivers was reported by the secretary of the treasury at 144,150 tons, which, at an average of 210 tons for each boat, gives 686 steamboats for that year.

By a subsequent report from the same source, the tonnage had increased by the last of June, 1845, to 159,713, making the number of boats 789.

A report from the same authority, for 1846, exhibits the steamboat tonnage enrolled and licensed at the several districts named below, as follows:

New Orleans,.....	180,504.81	Nashville,.....	2,809.23
St. Louis,.....	22,425.92	Wheeling,.....	2,666.76
Pittsburgh,.....	17,162.94		
Cincinnati,.....	15,312.86	Total tons,	249,064.77
Louisville,.....	8,172.26		

Applying the average above adopted to this tonnage, the number of steamboats upon the western rivers in 1846, is demonstrated to have been 1,190. Regarding the value per ton to be \$65, which is lower than has heretofore been estimated, and we have as the aggregate value of these boats, the sum of \$16,188,561. Supposing them to run 220 days in the year, at the cost

of \$125 per day for each boat, and the annual expense of running 1,190 boats appears to be \$32,725,000. Estimating the average number of persons employed on each boat at 35, gives a total of 41,650 persons actually employed upon the steamboats of the valley of the Mississippi. To this we may add the estimated number of 4,000 keel and flat boats, embracing in their employment 20,000 souls, and costing to build and navigate them, \$1,380,000.

We are now enabled to form a table, showing the cost of river transportation in the valley of the Mississippi :

Cost of running 1,190 steamboats,	\$32,725,000
Insurance on \$16,188,561, at 12 per cent. per annum,	1,942,627
Interest on \$16,188,561, at 6 per cent.,	971,313
Wear and tear of boats, 24 per cent.,	3,885,254
Tolls on the Louisville and Portland canal,	250,000
Cost of flat boats, (included because sacrificed at N. O.)	1,380,000

Total cost of transportation, annually, \$41,154,194

It is impossible to estimate the number of persons among whom, for wages, wood, coal, boat stores, provisions, &c., this almost incredible sum of forty-one millions of dollars is annually distributed. Suffice it to say, more or less of it reaches every family and every cabin, situated upon a double coast of river navigation, extending over 15,000 miles; while, as a tax, it falls, not insensibly, upon every producer and consumer in the entire valley. It affects the producer, because the cost of getting his crops to market lessens the profit he is enabled to realize, and the same impediments to the returns increases the cost of the necessities he purchases for consumption. This great cost is a tax upon the surplus produce, enterprize, industry and trade of the country.

We have 1,190 steamboats, carrying 249,054 tons. On the supposition that, upon an average, each boat makes twenty trips (40 voyages) a year, the whole are capable of carrying annually 9,962,160 tons. Adding to this the freights of 4,000 flat boats, carrying an average of 75 tons each, making 300,000 tons more, we have an aggregate annual tonnage of 10,252,160. It may be insisted that the boats do not always carry full freights; they evidently carry enough to make their business an active and profitable one, while the amount they discharge at New Orleans alone requires the services of 2,085 vessels, to export from that city the surplus beyond its own consumption. The value of western products received at New Orleans from the interior for the last five years, including the present, is as follows :

1842-43,	\$53,728,054
1843-44,	60,094,716
1844-45,	67,199,122
1845-46,	77,193,464
1846-47, (estimated,)	84,912,810

Showing an annual average increase of over 10 per cent.

An equal amount, it is supposed, finds its way to the Atlantic cities through Pittsburgh and the lakes and canals of the interior.

There is to be added to these sums the shipments from one port to another of the west, for home consumption, of the products of our manufactories, and other results of skill, industry and capital. An intelligent committee at Cincinnati, in 1844, estimated the whole of this interchange of commodities at an aggregate of seventy millions of dollars. Estimating its annual increase at 10 per cent., it is now equal to \$93,000,000.

Thus we have of the domestic products of the valley of the Mississippi annually put afloat upon its waters, a total of \$262,825,620.

To such an extent has the commerce of this valley grown, while yet in its infancy. Who can comprehend its magnitude when the banks of our streams shall be populated to the density of the Old World, and the resources of the country shall be fully developed?

Transit and intercourse are greatly facilitated throughout the entire valley by navigable streams of unequalled abundance and extent. They afford a continuous navigation, variously computed at from 10,000 to 15,000 miles, offering with their two banks, a coast for landing and shipments, of double the distance, whatever that may be. The character of these rivers has been often described, and is well known. None are more rapid and dangerous than the Mississippi and the Missouri, obstructed as they often are, not only by sand bars and occasional rocks, but by timbers of all shapes and sizes, presented in every variety of position. The most dangerous are concealed logs and stumps and sharp pointed snags, or trees firmly planted in the bed of the river at one end, while the other is just near enough to the surface to be concealed from the pilot's view, and at the same time at a depth well suited to bring it into fatal collision with any boat that attempts to pass over. These dangers, seen and unseen, render night navigation terrific and frequently impracticable, excepting below the mouth of the Ohio in the lower Mississippi, where, since the employment of snag boats, night navigation has been practiced. These obstructions are the heaviest drawbacks upon the commerce of the Mississippi valley, inflicting annually, not only an extensive destruction of boats and cargoes, but a frightful loss of human life. It is to be regretted that no care is taken by the government to collect and preserve accurate statistical information in reference to these losses. We are obliged to gather together such items as float within our reach, and can only make an approximation to the actual truth of the case.

From 1822 to 1827, the loss of property on the Ohio and Mississippi by snags alone, including steam and flat boats, and their cargoes, amounted to \$1,362,500.

The losses on the same from 1827 to 1832, were reduced to \$381,000, in consequence of the beneficial service of several boats employed by the federal government in removing snags. In the year 1830, in consequence of the successful operation of the snag boats, not a single steamboat was lost by snags.

From 1833 to 1838 inclusive, the secretary of the treasury reported forty steamboats snagged on the Mississippi and its tributaries—a number evidently much below the truth, and valued at \$640,000.

In 1839, the total loss of boats reported was forty—of which twenty-one were snagged, and seven struck upon rocks and other obstructions. Value of twenty-eight snagged, &c., \$448,000.

In 1840, the total number snagged was twenty-one—value \$336,000.

In 1841, whole number reported sunk, forty-nine—snagged, twenty-nine—value \$464,000.

In 1842, the whole number reported lost was sixty-eight. The number snagged is not ascertained. In the space of about one month succeeding the 11th of September of that year, the losses on the Mississippi between St. Louis and the mouth of the Ohio, a distance of only 180 miles, were \$234,000, principally by snags. Within the next succeeding seventeen months, there were seventy-two steamboats lost, valued at \$1,200,000, besides their valuable cargoes.

In 1846, the whole number sunk or destroyed was thirty-six, with an aggregate tonnage of 7,507. Of this number, twenty-four were sunk by snags.

sunken logs, or rocks, and valued at \$697,500. To this sum, is to be added \$36,487 as the estimated expense of repairing sixty-six steamboats, partially injured in that year, and of fourteen flat and keel boats lost or injured; the value of eight of them snagged. And when we take into the account the damage to cargoes saved, the expense of the labor of saving property endangered, the value of the time of persons thrown out of employment, the losses by delays to the shippers and consignees, the aggregate actual loss cannot be less than one million of dollars for 1846.

The facts connected with insurance, however, indicate a much heavier annual loss. Many of the insurance companies decline insuring the hulls of boats, and risks are taken only on the best, and at rates varying from 12 to 15 per cent. And if it be true, as is stated, that the insurers lose money at even those rates, then the lowest rate of insurance on hulls indicates a loss of \$1,920,000 annually on the estimated investment of sixteen millions in the boats. On the estimated amount of commerce of the river, it would indicate an annual loss, if it were all insured, of \$51,918,148.

It is undoubtedly true, that there are lying within the space of the 200 miles between the mouths of the Ohio and the Missouri rivers, the wrecks of over ninety steamboats.

Taking the losses of the steamboats trading at St. Louis for the years 1841-'42 for his data, Mr. Calhoun has estimated "the annual aggregate loss of boats navigating the Mississippi and its waters at the present time [1846] (estimating the number at 900,) to be 107½ from all causes; of which fifty-seven would be from snags, and seventy-five from snags, rocks and logs," and makes the aggregate annual loss from snags, rocks and logs, (obstructions susceptible of being removed,) \$1,820,200.

There are other obstructions to the free navigation of these national highways which increase the losses endured. We allude to the injuries and detentions by sand bars, by the falls of the Ohio, the cost of tolls at the Louisville and Portland canal, and the delays and dangers of the two rapids of the upper Mississippi. Taking all into the account, it cannot be too high an estimate to put down the actual losses of the country, from removable obstructions in the national highways, at two millions of dollars per annum. This is annihilated—so much destroyed, of the wealth of the country—amounting every ten years, to a sum equal to the purchase money paid by the government for all Louisiana.

The city of St. Louis is the base of the navigation of all the upper Mississippi and its tributaries, and the head of navigation for the larger boats from the Ohio and the lower Mississippi. Here is concentrated all the trade of the upper Mississippi, the Missouri and the Illinois rivers, and a large portion of that of the Ohio and the lower Mississippi. Hence is exhibited as busy and crowded a wharf as can any where be seen, upon which are commingled people of many nations, and products of every clime, and every species of industry. The city was built upon a limestone bluff, of moderate elevation, fronting on the Mississippi, whose water washed its base with a convenient depth. From the condition of a fur-trader's post, it has grown to the quality of a city, promising soon to be of the first class. From a mere boat load of traders, its population has gone on multiplying, until it has reached the number of 50,000. From a trade of a few thousand dollars in furs and peltries, a commerce has arisen which counts its millions. It has grown to be the greatest steamboat port, next to New Orleans, in the world. Its enrolled and licensed tonnage, was

In 1844,	16,664 tons.
1845,	20,424 "
1846,	23,800 "

At \$65 per ton, its tonnage for 1846, was worth \$1,547,000.

But this tonnage of its own is not all that is required by its trade. The total number of steamboat arrivals at St. Louis was,

In 1839, 1,476, with	213,193 tons.
In 1840, 1,721, "	244,185 "
In 1844, 2,105, "	371,691 "
In 1846, 2,412, "	467,824 "

Besides 801 flat boats, and is exclusive of the trips of the daily packets to Alton. During the month of May, 1846, there were twelve steamboat arrivals per day.

LENGTH OF STEAMBOAT NAVIGATION ON THE PRINCIPAL RIVERS.

Mississippi, from the Gulf to St. Anthony's Falls	2,200 miles.
Missouri, from its mouth to the foot of the Rapids	2,000 "
Red river, to head of navigation	1,100 "
Ohio, to Pittsburgh	1,000 "
Arkansas, to mouths of the Neosho and Verdigris	630 "
Tennessee, to Chattanooga	485 "
Wabash, to Lafayette	300 "
Illinois, to Ottawa	250 "
Cumberland, to Nashville	200 "
Osage	200 "

A steamboat, leaving Pittsburgh and going to New Orleans, and being there chartered to go up the Missouri as high as the Rapids, and thence returning to Pittsburgh, will perform a *regular* voyage of about 8,450 miles, a distance nearly equal to crossing the Atlantic three times!

MISSISSIPPI RIVER.

The Mississippi river takes its rise in latitude 46 deg. north, and discharges its waters into the Gulf of Mexico in latitude 29 deg. 5 min. It flows through a channel 3,000 miles long. Its course is south, nearly 14 deg. east. Its width averages about half a mile. Its width does not increase with the volume of water, but is about the same at Galena, 1600 miles above the mouth, as at New Orleans, where the volume is six times as great. It is 645 yards wide at Vidalia, Louisiana. It drains an area of 300,000 square miles. Its mean velocity at the surface, for the year, opposite Vidalia, is 1.88 miles per hour. (Opposite St. Louis its velocity is about three miles per hour.) Its mean depth, per annum, across the entire channel, at the same place, (Vidalia,) is about sixty feet. The mean velocity is reduced about 15 per cent. by friction against the bottom. The total amount of water discharged, per annum, in cubic feet, is 8,092,118,940,000.—*Prof. Forshey.*

MISSOURI RIVER.

The Missouri river rises within one mile of the head waters of the great river of the Oregon. It opens the "gates of the Rocky mountains," at a point 411 miles above the head of its navigation. The following are some of its principal tributaries, each navigable from 100 to 800 miles:

The Yellowstone river.....	800 yards wide at its mouth.
Chienne "	400 " "
White "	300 " "
Big Sioux "	110 " "
Platte "	600 " "
Kanzas "	233 " "
Grand "	190 " "
La Mine "	70 " "
Osage "	397 " "
Gasconade "	— " "

WESTERN RIVERS.

(Places marked with a star (*) are on the right bank of the river descending.)

MISSOURI RIVER.		MISSISSIPPI RIVER	
From St. Louis to	Miles.	From St. Louis to	Miles
Council Bluffs.....	800	Mouth of Wisconsin River	578
Savannah.....	590	Cassville	546
Black Snake Hills	580	*Dubuque	511
Weston	500	Galena	500
*Fort Leavenworth	482	Mouth of Fever River	491
*Mouth of Kansas River	450	*Bellvue	485
*Independence	412	Savannah	455
Liberty	405	*New York	432
Richfield	396	*Cumanche	422
*Sibley	381	New Albany	422
*Napoleon	375	*Parkhurst	396
Camden	369	Port Byron	396
*Wolf's Landing	359	*Fort Armstrong	380
*Wellington	350	*Davenport	371
*Lexington	344	Stephenson	370
Richmond	344	Rock Island	
*Dover	334	Mouth of Rock River	366
*Fine's Landing	329	*Rockingham	363
Woolsey's Landing	325	*Buffalo	355
*Webb's Landing	321	*Iowa	347
Caton's Landing	317	*Salem	343
Mouth of Grand River	312	*Bloomington	331
*Greenville	310	New Boston	301
Brunswick	297	*Mouth of Lower Iowa River	295
Thorntonsburg	286	Oquawka	281
*Old Jefferson	269	*Burlington	265
Mouth of Chariton River	263	Mouth of Skunk River	255
Shippingport	262	*Madison	245
Glasgow	258	Appanoce	245
Buffalo	252	*Camp des Moines	235
*Arrow Rock	224	Commerce	235
*Boonville	225	Rapids of Mississippi	
Franklin	225	*Keokuck, (foot of Rapids)	223
Rocheport	219	Monticello	220
Nashville	207	*Mouth of Des Moines River	220
*Marion	195	*Churchill	220
*Jefferson City	175	Warsaw	219
*Mouth of Osage River	150	*Gregory Landing	216
Smith's Landing	150	*Tully	203
Portland	140	*Lagrange	195
*Mouth of Gasconade River	116	Quincy	187
*Loutre Island	116	*Marion City	179
*Pinckney	106	*Hannibal	169
Marthasville	95	*Mouth of Salt River	164
*Washington	90	*Severton	161
Pittman's Landing	65	*Louisiana	139
St. Charles	45	*Clarksville	127
Mouth of Missouri River	19	Hamburg	127
		Gilead	120
		*Worthington	75
		Milan	45
		Mouth of Illinois River	40
		Grafton	38
		*Portage des Sioux	31
		Randolph	30
		Alton	22
		*Mouth of Missouri River	19

MISSISSIPPI RIVER.

From St. Louis to

Falls of St. Anthony	720
*Fort Snelling	713
Mouth of St. Croix River	700
*Mouth of Upper Iowa River	600
Prairie du Chien	580

WESTERN RIVERS.

(Places marked with a star (*) are on the right bank of the river, descending.)

ILLINOIS RIVER.		MISSISSIPPI RIVER.	
<i>From St. Louis to</i>	<i>Miles.</i>	<i>From St. Louis to</i>	<i>Miles.</i>
*Mouth of Fox River	310	Cairo, (junction with the Ohio)	185
*Ottawa, (canal terminus)	310	Columbus	198
*Utica	304	Mills' Point	213
*Rockwell	295	*New Madrid	255
Mouth of Vermillion River	295	Island 11	260
*Peru	291	Needham's cut off	314
*Enterprise	289	Plumb Point	334
Hennepin,	277	Mouth of Hatche River	350
*Henry	265	Fulton	354
Columbia	260	Randolph	355
*Lacon	253	Memphis	420
*Chillicothe	241	Tennessee Line	430
*Allentown	239	Buck Island (51)	443
*Rome	238	Commerce	450
Detroit	226	Peyton	480
*Peoria	220	*St. Francis River	494
Wesley City	217	*Helena	504
Pekin	210	Port Royal	516
*Mouth of Copperas Creek	190	Horse Shoe Bend	520
*Liverpool	180	Island 63	526
Havana	170	Victoria	580
*Chodis Landing	152	*Montgomery River	582
Mouth of Sangamon River	140	*Mouth of White River	584
*Erie	135	*Arkansas River	600
Beardstown	133	*Napoleon	600
*Lagrange	123	Bolivar C. H.	612
Meredosia	113	Cypress Bend	620
Naples	107	Island 78	635
*Phillips' Ferry	103	*Columbia	665
Griggsville	103	*Point Chicot	670
*Portland	100	Island 84	678
*Augusta	97	Princeton	710
*Montezuma	92	Island 92	720
*New Bedford	90	*Lake Providence	740
*Bridgport	80	Island 96	754
Newport	80	Millington Bend	780
Columbiana	70	Paupaw Island	790
*Guilford	58	Yazoo River	798
Mouth of Illinois River	40	Vicksburg	810
Grafton	38	Warrenton	820
Randolph	30	Island 104	830
Alton	22	Carthage	841
MISSISSIPPI RIVER.		Big Black River	865
<i>From St. Louis to</i>		Coffee's Point	868
*Jefferson Barracks	12	Grand Gulf	868
*Herculaneum	30	Rodney	868
*Selma	36	Natchez	920
Fort Chartres	59	Homochitta River	963
Kaskaskia Landing	65	Fort Adams	973
Mouth of Kaskaskia River	80	*Red River	984
Chester	84	St. Francisville	1044
*Grand Tower	130	Bayou Sara	1044
Bainbridge	140	Baton Rouge	1080
*Cape Girardeau	156	*Plaquemine	1104
Commerce	180	*Donaldsonville	1137
		New Orleans	1220

EXTRAORDINARY DELUSIONS.

From the Westminster Review, July, 1847.

We learn, from Mr. Mackay's "History of Extraordinary Popular Delusions," that tulips were first introduced in western Europe about the year 1559, and, as rare exotics, annually increased in reputation until it was deemed a proof of bad taste in any man of fortune to be without a collection of them.

"In 1634, the rage among the Dutch to possess them was so great that the ordinary industry of the country was neglected, and the population, even to its lowest dregs, embarked in the tulip trade. In the year 1635, many persons were known to invest a fortune of 100,000 florins in the purchase of forty roots; it then became necessary to sell them by their weight in perits, a small weight, less than a grain. A tulip, of the species called Admiral Liefken, weighing 400 perits, was worth 4,400 florins; an Admiral Van der Eyck, weighing 446 perits, was worth 1,260 florins; a schilder, of 106 perits, was worth 1,615 florins; a viceroy, of 400 perits, 3,000 florins; and, most precious of all, a Semper Augustus, weighing 200 perits, was thought to be very cheap at 5,500 florins. The latter was much sought after, and even an inferior bulb might command a price of 2,000 florins. It is related, that at one time, early in 1636, there were only two roots of this description to be had in all Holland, and those not of the best: one was in the possession of a dealer in Amsterdam, and the other in Harlaem. So anxious were the speculators to obtain them, that one person offered the fee-simple of twelve acres of building ground for the Harlaem tulip; that of Amsterdam was bought for 4,600 florins, a new carriage, two grey horses, and a complete suit of harness. Munting, an industrious author of that day, who wrote a folio volume of 1,000 pages upon the tulipomania, has preserved the following list of the various articles, and their value, which were delivered for one single root of the rare species called the viceroy:—

	Florins.
Two lasts of wheat	448
Four lasts of rye	558
Four fat oxen	480
Eight fat swine	240
Twelve fat sheep	120
Two hogsheads of wine	70
Four tons of beer	32
Two tons of butter	192
One thousand lbs. of cheese	120
A complete bed	100
A suit of clothes	80
A silver drinking cup	60
	2,500"

Here we have a case of simple barter; so that we find it possible for the world to run mad in commercial transactions without the intervention of either gold or paper, or even the assistance of a bank; for the Bank of Amsterdam was not founded till 1659; and it is a curious fact to note, that if the legislature were, in its zeal for interference, or regard for the pockets of the public, to prohibit dealing in shares and jobbing in the funds, jobbing in *bulbs* might still be carried on with all the forms of the stock exchange, and with the same results.

"Noble citizens, farmers, mechanics, seamen, footmen, maid-servants, even chimney-sweeps and old clothes-women, dabbled in tulips. The opera-

tions of the trade became so extensive and so intricate, that it was found necessary to draw up a code of laws for the guidance of the dealers. Notaries and clerks were also appointed, who devoted themselves exclusively to the interests of the trade. The designation of public notary was hardly known in some towns, that of tulip notary usurping its place. In the smaller towns, where there was no exchange, the principal tavern was usually selected as the show place, where high and low traded in tulips, and confirmed their bargains over sumptuous entertainments."

When at last a conviction spread that somebody must lose in the end, and prices began to fall, an universal panic, of the same character as in modern times, seized upon the dealers.

"A had agreed to purchase ten *Semper Augustines* from B, at 4,000 florins each, at six weeks after the signing of the contract. B was ready with the flowers at the appointed time, but the price had fallen to 300 or 400 florins; and A refused either to pay the difference or receive the tulips. Defaulters were announced day after day in all the towns of Holland. Hundreds, who a few months previously had begun to doubt that there was such a thing as poverty in the land, suddenly found themselves the possessors of a few bulbs which nobody would buy, even though they offered them at one-quarter of the sums they had paid for them. The cry of distress resounded everywhere, and each man accused his neighbor."

Here it is obvious that if abundance of money had been the cause of the high price of bulbs, the same money existed, and would have sustained the price, at least until the supply of the rarer sorts had greatly increased. And when the price fell it was not money but faith that was wanted—faith in a rising market. Faith, in the worship of Plutus, as in religion, will remove mountains; but it had ceased to exist even as a grain of mustard seed.

It is perfectly clear from these facts, that in seasons of average prosperity, it is not the quantity of money in circulation that chiefly determines the activity of trade. The great stimulus alike of speculation and of prudent enterprise is the anticipation of profit; and an indefinite amount of business may be transacted on a narrow basis. But it is yet true that a sudden contraction or stagnation of the circulation, or an artificial restriction to prevent its expansion when required, will throw trade into confusion, and spread for a time distress and ruin among all ranks of the community. Any interruption of established modes of business is like the damming up of a river. The stream may ultimately flow in one channel as well as another, but before it can work for itself a new bed, it may overflow its banks, and devastate the surrounding country.

In tracing the action and the causes of speculation, we make some progress towards conviction, that in the currency principle, or that theory of money and price which has passed, until lately, almost unquestioned by economists, there is a fundamental error; but we must advance a step further and endeavor to discover precisely where the fallacy lies; for until the question is settled of what the power of money is, in altering the value of commodities, it is impossible to determine satisfactorily what is or is not an inflated currency—that is, a currency issued in excess—and upon what securities other than gold, if any, a paper money might be based.

The theory is, that in all cases of an uniform proportion between the supply and demand of commodities, their exchangeable value is entirely governed by the amount of the circulating medium. So that, *ceteris paribus*, as the quantity of money increases or decreases, prices rise and fall. With regard to the influence of speculation, it is argued that these merely occasion *perturbations* of value, but that ultimate and permanent values are regulated solely by money; quantity against quantity. Were the quantity of silver in

the world to be suddenly doubled, and our supply of wheat to remain the same, the loaf, it is contended, which now sells for a shilling, would be sold for two shillings.

If this were so it would follow, that in estimating the property of the united kingdom at five thousand millions, statistical writers have been under great delusion. The real value is only thirty millions—the amount of the gold and silver into which the property of the country is actually convertible. And when we are informed by Mr. Senior, that the total amount of the precious metals in the world, is about two thousand millions, that sum we are to assume is the value of all the property the whole world contains. The globe, if it were sold, would fetch no more than two thousand millions, because no more exists; but if the quantity were doubled it would realize four thousand millions.

The error lies in the confusion created by the doubled acceptance of all money terms, which, in reference both to their derivation and to the convertibility of notes, signify given quantities of metal, but which are also, and the more frequently, employed to denote general relations of value; that is to say, not given quantities of metal, but the value for which given quantities of metal exchange.

NEW BOOKS.

HUNT'S MERCHANT'S MAGAZINE.—This valuable monthly for July, has been received. It contains eight articles, together with a digest of Mercantile law cases, and "A Commercial Chronicle and Review." The first article is in relation to the "Commercial and Industrial Policy of France;" 2d, "Commerce and Government of the Hawaiian Kingdom or Sandwich Islands;" 3d, "Andraud's new system of Rail Road Locomotion;" 4th, "The Consular System of the United States;" 5th, "Commercial Cities and Towns of the United States;" 6th, "Shops and Shopping in Calcutta;" 7th, "Commerce and Resources of the Isle of Bourbon;" 8th, "Mississippi and Atlantic Rail Road."

LAW DICTIONARY.—"A new Law Dictionary, containing explanations of such technical terms and phrases as occur in the works of legal authors, in the practice of the courts, and parliamentary proceedings. By Henry James Holts, esq, of the Inner Temple. Edited from the second and enlarged London edition, with numerous additions by Henry Pennington, of the Philadelphia bar." Published by Lea & Blanchard, Philadelphia, 1847.

We have before us a copy of this volume, and take occasion to recommend it to the attention of our readers. There are few readers who have not occasion, almost daily, to refer to a dictionary of legal terms, maxims and phrases. In the compilation of the present volume, the editor has shown much discrimination, and has managed to comprise in 496 pages, not only the whole of the English copy, but a large number of legal terms in general use in our own country; with notes and references to show the different meanings in which such phrases are used.

WESTMINSTER REVIEW, JULY, 1847.—This number enters into an elaborate examination of Currency Principles, the late Charter of the Bank, the Financial Pressure, &c.

LONDON QUARTERLY REVIEW, JUNE, 1847.—This number contains a full review of recent English works upon Currency, Banking, the Money Crisis, &c.

Those of our readers who wish to examine closely the British principles of trade and banking, will find these subjects ably discussed by the *London Quarterly* and the *Westminster Reviews*. Both of these works are published by Leonard Scott & Co., New York—at \$3 each, or \$8 for the the republications of the *London*, *Edinburgh*, *North British* and *Westminster Quarterly Reviser*.

COMMERCIAL REVIEW OF THE SOUTH AND WEST.—This work continues to be issued with commendable regularity. Mr. De Bow, the editor, has added a new department to the work, viz. *Mercantile Biography*. This series will be accompanied with portraits of eminent merchants of the U. S., and the addition will add materially to the value of the work.

The *Commercial Review* enters minutely into an examination of the great interests of the south and west—the *Agricultural Products* and *Commercial Resources* of those portions of the U. S. It is in fact the only organ of the important commercial interests of the south-west; and the valuable contributions heretofore published in the series entitle it to the support of merchants and libraries, and all who feel an interest in the rapid and remarkable progress of the states composing the great valley of the Mississippi.

Published monthly by J. D. B. De Bow, at New Orleans. Terms five dollars per annum.

MISCELLANEOUS.

BILLS OF EXCHANGE—AS A CURRENCY.—From a statement, founded upon stamp office returns, it appears that the present average amount of bills of exchange held in Great Britain, and liable to be put into circulation, is at least, £100,000,000 sterling, a sum compared with which the amount of bank note circulation is quite insignificant. The amount of negotiable bills was estimated in 1815, at £162,480,290, in 1835, at £101,350,762, in 1839, at £132,123,460.

The power, however, of converting a portion of this one hundred millions into notes at any moment, is as essential to their negotiation, as the convertibility of notes into sovereigns is essential to the value of Bank of England paper; and any measures of the bank by which this power is temporarily affected, and partially destroyed, must of course be disastrous to all parties, who rely upon the liquidation of bills to meet acceptances of their own; and must place in jeopardy every merchant or tradesman under pecuniary engagements of any kind, excepting the very few who keep ready money always on hand for the whole of their liabilities.—*Westminster Review*.

CURRENCY AND FINANCIAL CRISIS OF GREAT BRITAIN.—The recent money crisis, together with the change in the bank act, (1844,) has produced the following, among numerous other works from the London press.

1. On the regulation of currencies; being an examination of the principles on which it is proposed to restrict within certain fixed limits, the future issues on credit of the Bank of England, and of the other banking establishments throughout the country. By John Fullarton, Esq., London, 8vo. 1845.
2. An inquiry into the currency principle; the connexion of the currency with prices, and the expediency of a separation of issue from banking. By Thomas Tooke, Esq., F. R. S., London, 8vo. 1844.

3. Thoughts on the separation of the departments of the Bank of England. By Samuel Jones Loyd, Esq., 8vo. 1844.

4. An inquiry into the practical working of the proposed arrangements for the renewal of the charter of the Bank of England. By R. Torrens, Esq., F. R. S., London, 8vo. 1844.

5. The Financial and Commercial Crisis considered. By Lord Ashburton, London, 8vo. 1847.

6. The Crisis and the Currency. By John Kinnear, Glasgow, 1847.

7. Financial, Monetary and Statistical History of England. By Thomas Doubleday, Esq., London, 8vo. 1847.

We furnish our readers with an extract from Mr. Doubleday's work in our present number. Mr. D. is obviously not a practical man, but on the contrary a mere theorist—a mere closet speculator. As long as he confines himself to facts and figures, his work is a reliable one; but his theories and conclusions are not those of a man practically familiar with business. He is one of a large class who follow in the school of William Cobbett—a class who attribute all the evils under the sun to *paper money* and a *national debt*. He would even trace pauperism and the south sea bubble to inflated currency, and it is surprising that he does not also attribute the short crop in England to the same cause; for one would be about as rational as the other.

As long as the balance of trade remains in favor of the country, business is prosperous, the currency is in the opinion of the people sound, and the community at large is satisfied; but the moment that the balance of trade becomes against the country, owing to a short crop or excessive imports, or some other equally potent cause, and a few millions of coin (*hitherto dead in the vaults*) leave the country, every body is alarmed, and cries ruin! as if all the capital and all the elements of wealth consisted in such portions of the precious metals as had passed through the mint.

DAMAGES ON PROTESTED BILLS OF EXCHANGE.—By a revised law of the State of New York, the following damages on bills drawn or negotiated in the State and protested for non-payment, are allowed, viz.

Bills drawn on the states of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Pennsylvania, Ohio, Delaware, Maryland, Virginia, or District of Columbia, three per cent.

North Carolina, South Carolina, Georgia, Kentucky or Tennessee, five per cent.

Such damages shall be in lieu of interest, charges of protest, and all other charges incurred previous to, and at the time of giving notice of non-payment, but the holder of such bill shall be entitled to demand and recover lawful interest upon the aggregate amount of the principal sum specified in such bill, and of the damages thereon, from the time at which notice of protest for non-payment shall have been given, and payment of such principal sum shall have been demanded.

If the contents of such bill be expressed in the money of account of the United States, the amount due thereon, and of the damages herein allowed for the non-payment thereof, shall be ascertained and determined without any reference to the rate of exchange, existing between this state and the place on which such bill shall have been drawn, at the time of the demand of payment or of notice of non-payment.

If the contents of such bill be expressed in the money of account or currency of any foreign country, then the amount due, exclusive of the damages payable thereon, shall be ascertained and determined by the rate of exchange or the value of such foreign currency, at the time of the demand of payment.

Notes on the Money Market.

New York, September 1, 1847.

Money is not so abundant in our large cities as it was four weeks since. There is an increased demand for money at home, and a stringent condition of the English money market. Previous to the arrival of the Cambria steamer, which left Liverpool on the 4th ultimo, there were decided symptoms of larger demands for bank loans. The applications to the banks had augmented, and in the loans on stocks much more caution was observable and a larger margin required.

The severe stricture in the London money market, which is alluded to in the annexed circular, and which cannot be traced to any very definite causes, gives of course a complexion to money matters on this side the Atlantic. There is also a great depression in the manufacturing districts of Great Britain, accompanied with very heavy calls on rail road shares, which combine to produce larger exports of goods to the United States. In fact the American market is flooded with English manufactures, thrown into our various ports for the purpose of raising money. Our bonded warehouses are filled with the produce of European labor. The custom house books show an increase of revenue, not commensurate, however, with the increase of imports.

There is another and a potent cause of the change which is so obvious in our money market, viz. the operation of the sub-treasury. It is well known that about three millions in specie have been sent from New York, during the preceding month, to New Orleans, for government uses in the south. One million, it is believed, was deposited by the sub-treasurer in the Bank of the State of New York on the 23d of August, to be transferred, by some means, to New Orleans, without the labor, expense and risk of forwarding.

This transfer of specie by the government from one port to another, 2,400 miles distant, (as between New York and New Orleans,) is a very expensive operation under the sub-treasury law. To the banks it would be very simple, involving neither expense, labor, risk, nor time; but the government having cut itself off from the facilities furnished by banks, the only legitimate channels for financial operations of this kind, it is now compelled to use extraordinary and dangerous means of transferring public funds.

The appropriations by congress, for the current year, amount to about eighty millions of dollars. The public funded debt on the first July was forty millions, and increasing rapidly. The existing war requires very large amounts of money abroad, and these large payments which could be made, under proper legislation, in treasury notes or bank notes, are now made in coin; thereby creating a perpetual disturbance in the money market and unsettling business in every branch of trade.

Although there has been a decline in public securities since the 1st of August, they yet maintain fair rates, as will be seen by annexed quotations on the 25th ultimo:

United States loan 6 per cent.	104 $\frac{1}{2}$ 105	Pennsylvania 6 per cent.	93 $\frac{1}{2}$ 93 $\frac{3}{4}$
Tennessee 5 per cent.	82 $\frac{1}{2}$ 84	Pennsylvania 5 per cent.	78 $\frac{1}{2}$ 79
Cincinnati 6 per cent.	94 $\frac{1}{2}$ 95	Pittsburgh 6 per cent.	93 $\frac{1}{2}$ 94

Exchange at New York, August 25, 1847.

London, 60 days,	106 $\frac{1}{2}$ 107	Boston,	discount, $\frac{1}{2}$
Paris, 60 days,	531 $\frac{1}{2}$ 530	Richmond,	" 1
Amsterdam,	39 $\frac{1}{2}$ 39 $\frac{1}{2}$	St. Louis,	" $\frac{1}{2}$ 1
Hamburg,	35 $\frac{1}{2}$ 35 $\frac{1}{2}$	Louisville,	" 1 $\frac{1}{2}$ 1 $\frac{1}{2}$
Bremen,	78 $\frac{1}{2}$ 78 $\frac{1}{2}$	Cincinnati,	" 1 $\frac{1}{2}$ 1 $\frac{1}{2}$
New Orleans, sight,	par $\frac{1}{2}$ prem.	Baltimore,	$\frac{1}{2}$ premium.

The exports of bread stuffs to Great Britain and Ireland from the 1st September, 1846, to 10th August, 1847, have been as follows :

	Flour.	Corn Meal.
From New York, to August 10,	1,577,000 barrels.	342,000 barrels.
From Philadelphia, "	321,000 "	244,000 "
From Baltimore, "	304,000 "	83,000 "
From Norfolk, to June 8,	50,000 "	24,000 "
From New Orleans, to July 30,	616,000 "	62,000 "
From Boston, to August 10,	74,000 "	26,000 "
From other ports, "	50,000 "	48,000 "
	2,992,000 barrels.	826,000 barrels.

There has been also exported to Great Britain and Ireland during the same period :

Wheat,	3,464,000 bushels.	Oats,	436,000 bushels.
Corn,	15,800,000 "	Barley,	308,000 "
Rye,	84,000 "		

The aggregate value of all which must be upwards of thirty millions of dollars.

Notwithstanding these immense exports of grain, unprecedentedly large, the rates of exchange on London are now advancing.

Liverpool, August 3d, 1847.

The harvest is progressing under the most favorable circumstances in the Southern counties, and has partially commenced in this district. The reports of blight have in a great measure died away and generally speaking the crops of wheat, oats and barley are represented as unusually abundant and of superior quality. It is yet too early to judge conclusively as to the potato crop, but it is more promising than it was some weeks ago considered to be. The less important crop of beans has partially failed. The accounts from the Continent speak almost universally of the most prolific crops.

Under the influence of this and of continued heavy foreign supplies, the corn markets have gone down rapidly to a further important extent and are in a state of panic. It has been impossible to realize except in a retail way for ten days or a fortnight past, and now the quotations are 27s. to 27s. 6d. for the best Western Canal Flour; Philadelphia and Baltimore, warranted sweet, 26s. a 26s. 6d. sour 21 a 23s. Indian corn, sound, 26 a 30s. per quarter, down to 20 a 21s. for parcels unsound and heated. Indian corn meal 14s. per bbl. At auction to-day some parcels of indian corn which had been slightly heated, but now in good condition, sold at 25s. per quarter; sour western canal flour at 21s. 6d. a 23s. 6d. per bbl. with some prime Indian corn meal, at 14s. per bbl. There have been some failures in the corn trade and more apprehended, causing much distrust, and altogether the trade is in an extraordinary state of depression.

We had a quiet cotton market for ten days and unusually limited business, with a decline of about $\frac{1}{4}$ d. per lb., but since the arrival of the Boston steamer of the 16th ult., there has been some increase of demand and more firmness, and this decline has been partially recovered. The more favorable aspect of the market is to be attributed to the accounts of the American growing crop being so exceedingly unpromising in the Atlantic states, and also precarious in the western states from the late season. More decided confidence in the result of the harvest has contributed to the firmness of holders, but they have however to-day again shown more disposition to sell. The sales for the week ended 23d ult. amounted to 25,510 bales, of which 2000 were taken on speculation and 2500 for export; and for the week ended 30th ult. the business was 18,130 bales, of which 2700 was on speculation, and 1000 to exporters.

The diminished production of goods and yarns has brought their value more nearly on a par with the raw material, but still relatively below it, and it is only the apprehension of another short American crop and the hope of an approved trade, from good harvests, that sustain the cotton market.

The money market, instead of becoming easier, is decidedly more stringent with increase of pressure and a higher rate of interest.

BROWN, SHIPLEY & CO.

THE
BANKERS' MAGAZINE,
AND
State Financial Register.

VOL. II.

OCTOBER, 1847.

NO. IV.

THE MONEY MARKET.

We are, and for some months have been, in a singular position. The elements in the financial world have been thrown together in strange combinations. It has been unsatisfactory to reason from the past: for no experience could be brought forward analogous to the present posture of affairs. The clearest heads and the most shrewd managers; the men of experience and wealth, have differed in opinion as to the future. All seem to be waiting for the future to reveal itself; without, as usual, anticipating in their opinions the coming season. It is well, perhaps, for us to look for a few moments at our condition and endeavor to form some opinions of our prospects.

In past time we have been in the habit of looking to England and ascertaining the condition of her finances in order to judge of our own. She has not only been the point to which our products were mainly sent; but her capital, in active use here, was the real capital of the country. England owned our stocks. To England our dividends were remitted. England guards commercial credits; and English houses, through their agents here, make our exports convertible into gold, by advances on shipments. When money was abundant, and confidence high in England, all went "merry as a marriage bell" in America; and a change there, was immediately felt here. So intimate and controlling was this connection, that we had but to ascertain the condition of the London markets to know our own; and when satisfied as to the prospects of English merchants, we knew at once what were ours.

No ordinary course of trade would have changed, for a long course of years, the character of this dependance on the old country, and yet it has been changed, and almost reversed in a very short period.

In 1837, when our banks suspended specie payments, and American credit was about destroyed, we were, as above stated, largely indebted to

England. The immense amount of worthless and partially valuable claims held by English bankers against American merchants, led the creditors to deal leniently with us, and, in many instances, to increase their advances, in the hope of thus securing what was already due and doubtful. The wish was "father to the thought," which looked for brighter and more prosperous days. Under these influences, the men who were embarrassed by debts due to the old country in 1837, struggled on: and an enormous debt was due from this country in 1841, when all commercial affairs assumed a sorry aspect. These very houses which had been so liberally aided, found their property depreciating on their hands; and that which was the representation of a fortune, became absolutely valueless. As long ago as October, 1836, we were conversing with the late distinguished Dr. ISAAC BRONSON, of New York, in regard to our commercial relations with England. "Rely on it," said that far-sighted man, "our indebtedness will only be paid in bankrupt certificates." The result showed the correctness of the prediction. In 1842, the bankrupt law cancelled a debt to England, which had accumulated to several millions sterling; and thus, a commercial revolution produced, in a single season, what years of prosperity could hardly have accomplished. We were not in debt to England. Our merchants were no longer at the mercy of English bankers, and the money which had been so liberally, and in such enormous sums furnished, to supply our necessities, was never remitted to the lenders. Commercial disasters paid our debts, and changed the whole balance of trade between the two countries.

Simultaneously with the bankruptcy of individuals, state credit was dishonored. England held millions of state bonds; and many of the states ceased to pay either principal or interest of their debt. Thus, by the bankruptcy of individuals, and the dishonor of states, millions on millions of English wealth were added to the real capital of this country.

Since 1842, our merchants have enjoyed a period of great prosperity, and the year terminating with the 1st Sept., has been unprecedented in the history of the United States. The harvests of England, and the continent of Europe had, for successive years, been short. Money was abundant there. Our store-houses were overflowing with an abundant crop. The want of food in the old countries made people indifferent to expense. Every article of provisions rose rapidly to an enormous price. Flour, which at the last quotations from Mark Lane, was held at 25 shillings sterling; sold, during the furor, at various prices, finally reaching 54 shillings. Our ships were loaded with bread stuffs at proportionate rates of freights. Flour, which is now carried at one shilling and sixpence sterling, was crowded upon every vessel at eight shillings and sixpence per barrel, and other rates proportionably high. The shipping merchants are known in a single outward and homeward trip, to have realized a net profit of thirty per cent. on the cost of the ship. So rapid and so unexpected was the rise, that the producers had no time to dispose of their crops before the news had spread through the country.

Ordinarily, in such rapid advances, the profit has inured to the merchant; while the producers received no more than about the usual rates. But in this case the profit has been scattered broadcast through the land; and the country is really richer than it ever was before. The wealth of England has been accumulating and absorbed here: first, from individual bankruptcies, and, secondly, from state bankruptcies; and, thirdly, from the unprecedented amount received from freights and provisions during the last year. So that the country is richer than ever before. And the wealth is so distributed in various sums, among the people of the interior, as well as among our commercial men, that we feel ourselves able to meet any pecuniary crisis with greater ease, and less loss than we have ever done. We are no longer dependant on English capital. Our own capital, and our own resources, supply the means for the transaction of business and the construction of great internal improvements throughout the land: so that we are independent, in a great degree, of the old country. A financial crisis, and a series of bankruptcies there, affects us only as bills may have been drawn on English houses for shipments, and returned under protest. The difference between our present position and our relations with England, five or ten years since, is so great that results which, at that time, would have followed from given causes, would now be widely different.

That there is now a fearful state of affairs in the English money market, every one knows. There seems to be a very general want of confidence, and fear of coming events among business men there. How far the panic will run, and how wide spread will be the ruin in commercial circles, no one at this distance from the scene of action can form an opinion. We think that flour, &c. cannot be forever low; and that when the more extended operators in produce have failed, that failures will cease, and confidence be gradually restored. Meanwhile some effect is produced, of course, here by these events. But much less than would naturally be supposed. Our people are rich. Our merchants are rich. Our currency is far from expanded. While the result will be to individuals disastrous, the community will be comparatively unhurt.

In New York we have some failures to record. The house which, for so many years, stood as the leading bankers of America, has been compelled to suspend payment. We deeply regret this event. On every account it is to be deplored. Individual suffering calls for sympathy; the loss of confidence injures every commercial man; and years will hardly heal the shock which this event gives to American credit abroad.

Turning from things abroad, the condition of our own country is peculiar. Under the financial system, which the partizan cry of "down with the banks," has forced upon the general government all receipts and disbursements on account of the government are required to be made in specie. When money was abundant, and every arrival from England brought us specie, until the precious metals were a burden, the annoyance was but

slight, and the real evil nothing. But when money becomes scarce, or in active demand, the independent treasury will be found a sad system for a commercial and enterprising people. From the bank where it lies, the basis of a sound circulating medium, the coin is transported to the sub-treasury, where it can be of no possible benefit to any one. Should exchange on England advance, some of the specie which we have received must return to that country, and while the war with Mexico is carried on we have a continual drain of specie to support our army there. Much of the coin which is sent to Mexico is paid out in small sums for supplies, and is, for a long time, if not forever, lost to the world. So long as the war lasts so long will this drain be kept up.

It appears that there are still in the hands of the Secretary of the Treasury about \$8,000,000 of treasury notes, being the balance unissued of the \$23,000,000, authorised by the law of the last session. These notes must, unquestionably, be issued before the meeting of congress, and the entire amount received and disbursed in coin. We fear that this item alone may cause some uneasiness and temporary demand in our market.

The natural results of a prosperous year, and an abundance of money, have been seen in the extravagant importations of this season. During the month of August there was paid into the sub-treasury, in New York alone, over \$3,200,000. This, it must be remembered, is independent of the goods which are stored in the warehouses, and free goods, of which heavy importations are constantly arriving. The same proportion of duties has been received in other places. This shows an over-importation, such as we have seldom seen, and one which must be speedily checked.

For the bills of exchange drawn on houses which have stopped payment in England, remittances must be made; and the parties wait the gradual action of bankruptcy in closing the estates and paying the dividends. This must, of course, cause some embarrassment and trouble here, and will, so far as it has any effect, increase the demand for money.

Money throughout our commercial cities is in active demand. The bank rates of six and seven per cent. are readily paid; and where names are not undoubted it is not easy to obtain money. On good stocks, loans can be had payable either on demand, or at short notice.

So that in reviewing the position of the market in order to judge of our prospects. We have a commercial crisis, a tight money market, and numerous failures in England. We have a heavy, and we may say, an over-importation from Europe to this country, concurring with other circumstances to turn the balance of trade against us. We have a sub-treasury which calls for and hoards our coin. We have a war with Mexico which is draining away our specie. We have diminution of confidence in known and anticipated failures. We have bills of exchange on bankrupt houses in England for which remittances must be made, We have the prospect of paying for \$8,000,000 treasury notes, which must soon be issued.

We have money abundant, though in good demand. We have a currency far from inflated. We have a commercial community generally in a good position, and never so wealthy as now. And we have more real wealth in the country, scattered among the people from the east to the west, than was ever known. This wealth gives real stability to our finances, and renders more impossible any serious commercial disasters. On the whole, we confess that we are encouraged as we look forward.

RAIL ROAD COMMUNICATIONS

BETWEEN MARYLAND AND THE VALLEY OF THE MISSISSIPPI.

Extracts from the Report of a Committee of the Balt. and Ohio R. R. Co. upon the Right of Way between Baltimore and Wheeling, explanatory of the Map published in the October number of the Bankers' Magazine.

In prosecuting the road to the Ohio river, the committee have never doubted, that it was not more the primary intention and object of the company, than essential to the interests of the stockholders, and the trade and prosperity of this city, that it should terminate at such point south on the river as would most certainly secure the trade and travel passing up the river, and, by early and favorable connections with the western improvements avoid the hazard of rivalry and competition with our northern cities, attract the trade and travel of the great west upon their road, and bring them to Baltimore.

The uniform history of the company shows that its aim has been to go far enough south on the Ohio to arrest the trade and travel passing up the river; to connect certainly and advantageously with the progressive improvements in the west, and to escape from the competition with *New York* and *Philadelphia*. It would, therefore, be a departure from the uniform purpose of the company, and from the settled public opinion in this community for twenty years, if, neglecting this obvious policy and forecast, we could be content to expend millions of our capital to attract the travel and trade from southern points at which they could be obtained without competition, and draw them to another point farther north, at which we would be compelled to engage in a close and powerful rivalry for a small share of either.

There are two great lines on which the public works through the state of Ohio, intended to connect with St. Louis to the west, and north with the lake country, and projected to the Ohio river.

One is called the southern line, extending through *Chillicothe*, *Athens* and *Marietta*, and the other is denominated the "great central line" leading from Cincinnati through Xenia or *Springfield*, *Columbus* and *Zanesville*; and a terminus at *Fishing* creek was originally preferred as being equally suited to a connection with the works on both of these lines.

It may be conceded, that from that point a connection could be formed both at somewhat less cost and distance with the southern line than from Wheeling, or even the mouth of the Fish creek; and it is equally true that from Parkersburg, the connection could be formed with even greater advantages than from Fishing creek, or any other point on the river. It is also true, however, that a connection with the southern line could be formed at

little more expense, and with scarcely less advantage, from the mouth of *Fish* creek than from that of *Fishing* creek.

Fish creek being only sixteen miles higher up the river than *Fishing* creek, and the elongation of a road over that distance, costing not exceeding \$250,000, it is not to be doubted that the cities and counties interested in the southern line, would be quite ready to incur that expense in extending their works to the upper point. It may therefore, be assumed as certain, that in procuring the option of going to the mouth of *Fish* creek, the company has as effectually secured an early connection with the southern line of improvements in Ohio, as they would have done from *Fishing* creek, and that in this respect the object of the stockholders, as declared at their meeting on the 22d of February last, will be fully accomplished. And it is perfectly certain that with a point north of *Wheeling*, and even of *Fish* creek, a connection with this line could by no possibility be formed. Any connection with the southern line of improvements, if a northern terminus were adopted, would be lost to the road altogether.

The committee, however, consider it even more important to state, that their recent investigations have shown that with the great central line of the Ohio improvements from Cincinnati through Columbus and Zanesville, already in a more advanced state, and with greater means of completion, a connection could not be advantageously made from the mouth of *Fishing* creek, and would be more promptly and certainly formed at *Wheeling*, than at any other point north or south on the Ohio river.

From all these sources, the information is uniform, that, in conformity with the established policy and interests of the state of Ohio, *Wheeling* is a preferable point with which to connect the public works than any other north or south on the Ohio—the distance from Columbus to Pittsburg being more than seventy miles, and from Zanesville at least that number of miles greater than to *Wheeling*, and the country through which a line of communication with the former would pass offering fewer advantages, would seem to render a connection by the central line with Pittsburg, a matter of necessity only, or dependent upon an amount of trade too great to be accommodated by other works. It would appear, also, that if the distance from Columbus and Zanesville to the mouth of *Fishing* creek be not greater, the intervening country, besides being unproductive and offering comparatively small means for the making or employment of a rail road, is not favorable to the construction of such a work, and these objections are deemed so strong as to authorize a distinct intimation, that the termination of the Baltimore and Ohio rail road as low down as *Fishing* creek, might create the necessity of more northern lines, which, if a terminus at *Wheeling*, or near it, were adopted, would not be apprehended.

The committee have felt it to be their principal duty to refer emphatically to this certainty of a connection with the western improvements, since, without such reliance, there could be little object in the expenditure of any amount of capital in reaching the Ohio river at any point. Those improvements, when and wherever made, must ultimately supersede the river navigation for the purpose of travel, and materially interfere with the transportation of tonnage by the same channel; and any railway from the Atlantic seaboard, that does not reach the proximity of the great line of railway communication from the Ohio river throughout the valley of the Mississippi, will surrender the main object of the enterprise. The committee are not aware that information, more pertinent or more to be relied upon than that they have produced, could have been obtained. The cities of *Columbus* and *Zanesville*, and the state of Ohio generally, can have no ground of preference for any road to the Atlantic but one founded upon the most direct and the cheapest line to market.

Upon the present occasion, however, the terminus or termini of the Baltimore and Ohio Rail Road recommended by the committee, offer the additional advantage, that while they ensure an early connection with the western improvements, they also ensure the command of the trade and travel of the western country, whether pursuing the river navigation or the improvements on land, *without competition*. The distance from Columbus and Zanesville to Wheeling being nearly seventy miles less than to Pittsburg, by the most favorable route that has been suggested to the last named city, it must be obvious that the shorter and cheaper lines will be the first to be made, and equally so, that in the face of shorter and cheaper lines, it will not be easy to command the capital or find an adequate incentive to construct others both longer and more expensive. No such expectation could be entertained, at least until the growth of the western country should indispensably require further improvements, even at a greater cost, to supply its wants. The committee would also remark, without unnecessarily swelling this report with tables or details of distances, that by the proposed route to Wheeling, and thence by easy, practicable lines to Columbus, the distance thence to Baltimore would be considerably shorter than to Philadelphia by the way of Pittsburg. It is equally undeniable, that the river trade and travel, instead of working up the river ninety-six miles above Wheeling, at so great a loss of time, would stop at the latter point, from whence, in the average they could be conducted to *Baltimore* as soon as by the river they could be taken to *Pittsburg*. The committee entertain no doubt, that if the rail road should be completed to Wheeling, the trade and, if there be any, travel passing through the Ohio canals into the river between Pittsburg and Wheeling, would prefer dropping down to *Wheeling*, rather than encounter the delay of working up the stream to Pittsburg.

The estimate of cost upon this (as upon the southern route) is completed, as follows:

From Cumberland to Wheeling.

Railway track, 176½ miles of main, and 6¼ of sidings = 182½ miles, at \$10,000,	\$1,825,000
Depots and water stations, do. do. at \$500 per mile,	88,125
Right of way, do. do. at \$600 per mile,	105,750
Graduation, masonry and bridging, at \$16,614 per mile,	2,927,351

From Cumberland to Wheeling (alone) at \$28,064 per mile, \$4,946,226

Pittsburg Branch, from Connellsville to Pittsburg.

Railway track, 60½ miles of main, and 2¼ of sidings, 62½ miles, at \$10,000 per mile,	\$625,000
Depots and water stations at \$500 per mile,	30,125
Right of way, at \$1,000 per mile,	60,250
Graduation, masonry and bridging, as above, at \$14,333,	863,811— 1,579,186

Total capital required for construction of both roads, \$6,525,412

[It gives us great pleasure to find that urgent measures are about to be adopted for the completion of the rail road communication between Baltimore and the Ohio river. The link which now requires construction, is only 176 miles: viz. from Cumberland, Md. to Wheeling, Va. When this link shall be completed, there will be a continuous steam communication from Portland, (Maine,) to New Orleans on the south, and to St. Peter, and Council Bluffs on the north-west. We can then travel by steam from Boston to New Orleans, in the short space of nine or twelve days, a distance of 2700 miles. *Editor Banker's Magazine.*]

Distances by Rail Road from Baltimore to Wheeling.

Ellicotts Mills, Md.....miles, 14	Back Creek Bridge, Va.....miles, 111
Sykesville, Md..... 31	Licking Water Station.....116
Monocacy River, Md..... 58	Hancock, Va.....123
Frederick, Md..... 61	Pawpaw Tunnel.....153
Point of Rocks, Md..... 69	Green Spring Run.....164
Harper's Ferry, Va..... 81	Patterson's Creek, Md.....170
Martinsburg, Va.....100	Cumberland, Md.....178

Stage.

Frostburg, Md.....188	Hillsboro', Pa.....263
Little Crossing, Md.....201	Washington, Pa.....280
Addison, Pa.....214	Claysville, Pa.....290
Uniontown, Pa.....239	W. Alexander, Pa.....297
Brownsville, Pa.....251	Triadelphia, Va.....301
E. Bethlehem, Pa.....257	Wheeling, Va.....311

Distances from Pittsburg to Junction of the Mississippi and Ohio Rivers.

Economy..... 19	Rifley, O.....419
Beavertown..... 30	Cincinnati, O.....474
Wellsville, O..... 53	North Bend, O.....489
Steubenville, O..... 72	Lawrenceburgh, Ia.....496
Wellsburgh..... 79	Rising Sun, Ia.....507
Wheeling, Va..... 95	Vevay, Ia.....538
Elizabethtown, Va.....108	Madison, Ia.....560
Newport.....164	Louisville, Ky.....605
Marietta, O.....183	New Albany, Ia.....609
Parkersburgh, Va.....196	Evansville, Ia.....792
Gallipolis, O.....275	Mt/ Vernon, Ia.....825
Guyandotte, Va.....311	Shawneetown, Ill.....856
Burlington.....322	Smithland, Ky.....922
Portsmouth, O.....358	Paducah, Ky.....934
Maysville, Ky.....412	Cairo, mouth of the Ohio, Ill.....981

NEW YORK CANALS.

The aggregate receipts of the canal fund for the fiscal year ending the 31st August will be found stated in the annexed communication. The gross receipts fall little short of *three and a half millions* :—

Canal Department, Albany, September 17, 1847.

To the senate—The commissioners of the canal fund in reply to the resolution of the senate, respectfully submit the following report :—

The amount of revenue from canal tolls, including the sum of \$38,946 49 paid by the railroads for the fiscal year commencing on the 1st of September, 1846, and ending on the 31st of August, 1847, is, . . . \$3,459,404 82
 Rents of surplus water, 1,500 00
 Interest on current deposits in banks, 10,000 00

\$3,470,904 82

Expense of collection, superintendence and ordinary repairs, . 600,000 00

\$2, 870,904 82

Deduct for sinking fund under article 7, sec. 1, of the constitution, \$1,300,000

“ For sinking fund under article 7, sec. 2, 350,000

“ Payment to the treasury of the state under article 7, sec. 3, of the constitution. 200,000—1,850,000 00

Surplus, \$1,020,904 82

LEGAL MISCELLANY.

AGENCY.

Bank of Washington vs. Triplett & Neale.

Liabilities of Banks, acting as agents for the collection of Commercial Paper.

Mr. Chief Justice Marshall delivered the opinion of the court.

This is a writ of error, to a judgment of the United States' Circuit Court, of the District of Columbia, for the county of Alexandria.

On the 19th June, 1817, William H. Briscoe, of Alexandria, drew a bill on Peter A. Carnes, of Washington, payable four months after date, to the order of Triplett & Neale. The payees of the bill endorsed it in blank, and delivered it to the cashier of the Mechanics' Bank of Alexandria, for the purpose of being transmitted, through the said bank, to a bank in Washington, for collection.

The cashier of the Mechanics' Bank of Alexandria endorsed the bill, to the order of the cashier of the Bank of Washington, and transmitted it to him, for collection, in a letter of the 19th of July, 1817. Neither of the banks had any interest in the bill.

The bill was protested for non-payment; and this suit was brought by Triplett & Neale against the Bank of Washington, to recover its amount. The declaration charges, that the bank did not use reasonable diligence to collect the money mentioned in the said bill, nor take the necessary measures to charge the drawer; but neglected to present the bill either for acceptance, or payment; and to have the same protested; whereby the plaintiffs have lost their recourse against the drawer.

It was proved, on the part of the bank, that either on the day the bill was received, or the succeeding day, one of its officers called with the bill, at the house of the said Peter A. Carnes, for the purpose of presenting it for acceptance, and was told that he was in Baltimore. He called again, three or four days afterwards, for the same purpose; and was again told that he was in Baltimore. These answers were reported to the cashier.

On the 9th of October, 1817, the cashier of the Mechanics' Bank of Alexandria addressed the following letter to the cashier of the Bank of Washington:

"*Dear Sir*—The holder of the draft on Peter A. Carnes, for \$625 34, desires me to inform you, that if the draft is not paid, to make the notary send a notice to P. A. Carnes, Baltimore, and likewise to W. H. Briscoe, Leesburg, provided it is not paid at his residence, in Washington." On the 13th of the same month, the cashier of the Bank of Washington, in answer to this letter, stated that the bill had not been accepted, because the drawee could not be found; and that the directions given in the letter of the 9th should be observed. On the 24th of October, the fourth day after that expressed on the face of the bill, as the day of payment, it was protested for non-payment, and returned, under protest, to the Mechanics' Bank of Alexandria. Notice was given to the drawer, who has refused to pay the same.

On the trial, the counsel for the defendant moved the court to instruct the jury:—

1st. That upon this evidence, if believed, the plaintiffs are not entitled to recover.

2d. That the plaintiffs are not entitled to recover for any loss of recourse against Briscoe, the drawer of the said bill.

3d. That the failure of the defendants (after having called at the residence of the drawee of the said bill to obtain his acceptance, and not finding him, or any person there to accept it) to notify the drawer of that circumstance, was not such negligence, as discharged the said drawer from his liability, on the said bill, and entitles the plaintiffs to recover.

4th. That if they believed, from the evidence, that the defendants conformed to their former usage in regard to such bills as the one in question, in calling on the drawee for acceptance (the said drawee being from home,) and not noting the same as dishonored, and giving notice thereof to the parties, on the said bill; then their failure to treat the said bill as dishonored, and to give notice accordingly of non-acceptance, did not discharge the drawer thereof from his liability to the plaintiffs.

The court refused to give either of these instructions; to which refusal, the counsel for the defendants excepted; and a verdict and judgment were rendered for the plaintiffs.

The plaintiffs in error insist, that the Circuit Court ought to have given the instructions first asked, because, first, no privity existed between the real holder of the bill and the Bank of Washington. That bank was not the agent of Triplett & Neale, but was the agent of the Mechanics' Bank of Alexandria. Some cases have been cited, to show, that if an agent employed to transact a particular business engages another person to do it, that other person is not responsible to the principal. On this point, it is sufficient to say, that these cases, however correctly they may have been decided, are inapplicable to the case at bar. The bill was not delivered to the Mechanics' Bank of Alexandria for collection, but for transmission to some bank in Washington to be collected. That bank would, of course, become the agent of the holder. By transmitting the bill, as directed, the Mechanics' Bank performed its duty, and the whole responsibility of collection devolved on the bank which received the bill for that purpose; the Mechanics' Bank was the mere channel through which Triplett & Neale transmitted the bill to the Bank of Washington.

The deposit of a bill in one bank, to be transmitted for collection to another, is a common usage of great public convenience, the effect of which is well understood. This transaction was, unquestionably, of that character; and there is no reason for suspecting that the Bank of Washington did not so understand it. The duty of that bank was precisely the same, whoever might be the owner of the bill; and, if it was unwilling to undertake the collection, without precise information on the subject, that duty ought to have been declined. The custom to endorse a bill put in bank for collection, is universal; and the Bank of Washington had no more reason for supposing that Triplett & Neale had ceased to be the real holders, from their endorsement, than for supposing that the cashier of the Bank of Washington had become the real holder, by the endorsement to them. It is the customary proceeding, for collection, in such cases; and is for the advantage of the party interested. At any rate, the letter of the 9th of October disclosed the real party entitled to the money; and the answer to that letter assumes the agency, if it had not been previously assumed. The court is decidedly of opinion, that the Bank of Washington, by receiving the bill for collection, and, certainly, by its letter of the 13th of October, became the agent of Triplett & Neale, and assumed the responsibility attached to that character.

The first prayer of the defendants, in the Circuit Court, being to instruct the jury, that, upon the whole evidence, the plaintiff ought not to recover; if it might properly have been granted in any case in which any testimony was offered, certainly ought not to have been granted, if any possible construction of that testimony would support the action.

The liability of the bank for the bill placed in its hands for collection undoubtedly depends on the question, whether reasonable and due diligence has been used, in the performance of its duty. To maintain the charge of negligence, the counsel for Triplett & Neale have alleged the failure to give notice of the non-acceptance of the bill, and the failure to demand payment in proper time. The counsel for the bank have brought the first question more distinctly into view, by a more definite instruction respecting it, which was afterwards asked; and its consideration will be deferred, until that prayer shall be discussed; but the first must be disposed of under the general prayer.

Unquestionably, by failing to demand payment in time, the bank would make the bill its own, and would become liable to Triplett & Neale for its amount. The inquiry, therefore, is into the fact.

The demand was made on the fourth day after that mentioned on the face of the bill, as the day of payment.

The defendants in error insist, that, if the bill was never presented for acceptance, payment ought to have been demanded on the day mentioned on its face. If this be not so, then it ought to have been demanded on the third day afterwards, which is the last day of grace.

The allowance of days of grace is a usage which pervades the whole commercial world. It is now universally understood to enter into every bill or note of a mercantile character, and to form so complete a part of the contract, that the bill does not become due, in fact, or in law, on the day mentioned on its face, but on the last day of grace. A demand of payment, previous to that day, will not authorize a protest, or charge the drawer of the bill.

This is universally admitted, if the bill has been accepted.

If it has been noted for non-acceptance, but has been held up, it would not be protested for non-payment until the last day of grace. Why then should a bill never presented be demandable at an earlier day than if it had been accepted, or if acceptance had been refused? Whatever might have been the original motive for the indulgence, it is now taken into consideration, both by the drawer and payee of the bill. The amount is, consequently, estimated on the calculation that it becomes really due on the last day of grace. Neither party can foresee, when the bill is drawn, whether it will be paid or not; nor, if it be payable after date, whether it will be presented or not. Their calculation, therefore, as to the day when it becomes really due, and is to be paid, is independent of these considerations. No sufficient reason is perceived for the distinction.

It is, however, a law dependent on usage. The books which treat on the subject concur in saying, that payment must be demanded when the bill falls due; and that it falls due on the last day of grace. The distinction between a bill which has and which has not been presented, has never been taken; and it is apparent that a bill is never drawn with a view to this distinction. The fact that the question has never been made is a strong argument against it. The point has never, so far as we can find, been brought directly before a court; and we have seen only one case in which it has been even incidentally mentioned.

In *Anderton vs. Beck & Pearson*, 16 East. 248, a bill was drawn, payable two months after date, and was not presented for acceptance. It was protested for non-payment, and a suit was brought by the holder against the drawer. He resisted the demand, and the opinion of the court proceeds on the admission that the bill fell due on the last day of grace. This case consists, we believe, with the opinions and practice of commercial towns.

But if a bill, payable after date, and not presented for acceptance, falls

due on the same day as if it had been accepted, the defendants in error insist that payment ought to have been demanded on the last day of grace.

It was proved at the trial, that the settled usage of the Bank of Washington, at that time, and of all the other banks in Washington and Georgetown, was to demand payment on the day succeeding the last day of grace; and this usage, so far as it respects notes negotiable in a particular bank, has been sanctioned by the decisions of this court. *Renner vs. the Bank of Columbia*, 9 Wheat. 582, was a suit brought in a Circuit Court of the District of Columbia against the endorser of a promissory note, which had been negotiated in the Bank of Columbia. Payment was demanded, and the note protested on the fourth day after that mentioned in the note as the day on which it became payable. This was proved to have been in conformity with the custom of the bank; and the defendant moved the court to instruct the jury that the demand was not in time, and that the endorser was not liable for the note. This instruction was refused, and the defendant brought the judgment into this court by writ of error. The judgment, on great deliberation, was affirmed.

In this case, the custom of the bank was known to the parties to the note. But the question arose afterwards in a case in which the custom was not known to the parties. *Mills vs. the Bank of the United States*, 11 Wheat. 430, was a suit brought by the bank against the plaintiff in error, and others, on a note endorsed by him, and negotiated in the office of discount and deposit of the Bank of the United States, which was protested for non-payment on the day after the last day of grace.

It was proved at the trial that this was according to the usage of that bank. The counsel for the defendant moved the court to instruct the jury that this usage could not bind the endorser, unless he had personal knowledge of it at the time he endorsed the note. The court refused to give the instruction, and the jury found a verdict for the bank, on which judgment was rendered. That judgment was brought before this court, and affirmed. The court said, that "when a note is made payable or negotiable at a bank, whose invariable usage is to demand payment and give notice on the fourth day of grace, the parties are bound by that usage, whether they have a personal knowledge of it or not."

In the case of such a note, the parties are presumed, by implication, to agree to be governed by the usage of the bank at which they have chosen to make the security itself negotiable.

These cases decide that under consideration, unless there be a distinction between a bill and a note made negotiable in a particular bank. In the case of a note negotiable in a particular bank, the parties may very fairly be presumed to be acquainted with the usage of that bank. As the decisions which have been cited, depend upon that presumption, it will become necessary to inquire, how far the same presumption may be justified in the case of a bill drawn on a person residing in a place where this usage is established.

If a promissory note were made in the city of Washington, payable to a person residing in the same place, though not purporting to be payable and negotiable in bank, it would very probably be placed in a bank for collection. It is a common practice, and the parties would contemplate such an event as probable, when the note was executed.

The same reason seems to exist for applying the usage of the bank to such a note, as to one expressly made payable and negotiable in bank. Such notes are frequently discounted, and certainly the person who discounts them, or places them in bank for collection, stands in precisely the same relation to the bank, as respects its usage, as if the notes purported on their

face to be negotiable in bank. The maker of a negotiable paper, in such a case, may fairly be presumed to be acquainted with the customary law which governs that paper, at his place of residence.

In the case at bar, however, the bill was drawn at Alexandria, on a person residing at Washington. Does this circumstance vary the law of the case?

The usage by which questions of this sort are governed is different in different places. It varies from three to thirty days—and the usage of the place on which the bill is drawn, or where payment is to be demanded, uniformly regulates the number of days of grace which must be allowed. This bill being drawn on a person residing in Washington, and being protested for non-payment in the same place, is, according to the law merchant, to be governed by the usage of Washington. Could this be questioned, still the holder of the bill who placed it, by his agent, in the Bank of Washington for collection, who has made that bank his agent without special instructions, submits his bill to their established usage. The cases, then, which have been cited, are not different in principle from this—and payment having been demanded, according to the invariable usage of the bank, was demanded in time. If, then, the objections to the conduct of the bank were confined to the demand of payment, and protest for non-payment, the first instruction asked by the defendants in the Circuit Court ought to have been given. But they are not confined to the demand of payment and to the protest for non-payment. They extend to the steps taken by the bank, concerning the presentation of the bill.

The second instruction asked for, is in terms which are in some degree equivocal. It may imply, either that the recourse against the drawer of the bill was not lost, or that if lost, that circumstance would not entitle the plaintiff to recover against the bank; as its decision is not essential to the cause, it will be passed over.

The third is more specific. The court is asked to say, that the failure of the bank to give notice to the drawer, that the drawee was not found at home when called upon to accept the bill, is not such negligence as discharged the drawer from his liability, and entitles the plaintiff to recover.

The question suggested by this prayer, is one on which no decision is found in the books. It depends on analogy, so far as it is to be decided by adjudged cases. Such a bill need not be presented; but if presented and acceptance be refused it is dishonored, and notice must be given. Had the bank taken no step whatever to obtain an acceptance, no violation of duty would, according to these decisions, have been committed. Can any unsuccessful attempt to do that which the law does not require, place the agent in the same situation that he would have stood in, had the drawee been found, and had positively refused acceptance? Absence from home, with a failure to make provision for payment when a bill becomes due, is a failure to pay; but absence from home when the holder of a bill or his agent offers it for acceptance, is in no respect culpable. Had the drawee received advice of the bill, he could not have known that it would be presented for acceptance, because the law did not require it, and is consequently not blamable for his absence when the officers of the bank came to present it for acceptance. Had the bill, under such circumstances, been protested for non-acceptance and returned, the drawer might not have been liable for it.

The bill, then, on general principles, ought not to have been protested; and the absence of the drawee ought not to be considered as equivalent to his refusal to accept. It might have been a prudent precaution to have given information that the bill was not accepted, because the drawer had not been

found, but we cannot say that the omission would subject the agent to loss, unless such was the special usage of this bank.

The fourth prayer is for an instruction to the jury, that, if they believe, from the evidence, that the defendants conformed to their former usage in regard to such bills, in calling on the drawee for acceptance (the said drawee being from home,) and not noting the same as dishonored, and giving notice thereof to the parties on the said bill, then, their failure to treat the said bill as dishonored, and to give notice accordingly of non-acceptance, did not discharge the drawer thereof from his liability to the plaintiff.

The court has already indicated the opinion, that this omission to treat the bill as dishonored, in consequence of not finding the drawee at home, if the usage of the bank was not to notice such a circumstance, did not discharge the drawer; consequently, this instruction ought to have been given, unless it should be supposed foreign to the case in which it was asked. In a suit brought by the holder against the bank, the court was not bound to declare the law as between the holder and the drawer, unless the liability of the bank was determined by the liability of the drawer. Although in the general the one question depends on the other, yet it may not be universally so. The bank was the agent of the holder, not of the drawer, and might consequently so act as to discharge the drawer without becoming liable to its principal. In this case, however, as the agent received no specific instructions, but was left to act according to the law merchant, a course of proceeding which did not discharge the drawer, could not render the agent liable to the principal. This prayer was, therefore, essentially the same with that which preceded it, with this difference: the third prays an instruction, whatever might be the usage of the bank; the fourth prays essentially the same instruction, provided the conduct of the bank conformed to its usage. This instruction, therefore, ought to have been given as prayed. Upon a review of the whole case, the court is of opinion, that if the bank acted in conformity with its established usage in not noting the bill and giving notice thereof, when the ineffectual attempt was made to present it for acceptance, this action could not be supported. With respect to this usage the testimony is contradictory, and ought to have been submitted to the jury, in conformity with the last prayer made by the counsel for the bank. The court erred, in not giving this instruction as prayed. The judgment, therefore, is to be reversed, and the case remanded for a new trial.

Remarks.—From Holcombe's Commercial Cases.

The first question raised in this case, as to whether there existed such a privity of contract between the parties as would support the action, has been more recently considered, and the general proposition laid down by Judge Marshall affirmed in *Wilson & Co. vs. Smith*, 3 How, 763. In that case, a bill, the property of the plaintiff, was transmitted to an agent, St. John, at Augusta, for collection, and by him transmitted to the defendant, at Savannah, where the drawer resided; no consideration being paid for the bill, either by the defendant or St. John. Chief Justice Taney, delivering the opinion of the court, observes: "According to the usual course of dealing among merchants, the transmission of the paper to St. John gave him an implied authority to send it for collection to a sub-agent at Savannah, for it could not be expected by the plaintiff that St. John was to go there in person, either to procure the acceptance of the bill or to receive the money, nor could St. John have so understood it. So far, therefore, as the question of privity is considered, the case before us is precisely the same with that of the *Bank of the Metropolis vs. the New England Bank*, 1 How, 234. In

that case, the bills upon which the money had been received by the plaintiff in error, were the property of the New England Bank, and had been placed by it in the hands of the Commonwealth Bank for collection, and were transmitted by the last mentioned bank to the Bank of the Metropolis in Washington, where, the bills were payable. And, upon referring to the case, it will be seen that the court entertained no doubt of the right of the New England Bank to maintain the action for money had and received against the Bank of the Metropolis; and the difficulty in the way of its recovery in the action was not a want of privity, but arose from the right of the Bank of the Metropolis to retain, under the circumstances stated in the case, for its general balance against the Commonwealth Bank. In that case, as in the present, the agent transmitting the paper appeared, by the endorsements upon it, to be the real owner, and the party to whom it was transmitted had no notice to the contrary, and the money received was credited to the Commonwealth Bank. We think the rule very clearly established, that whenever, by express agreement between the parties, a sub-agent is to be employed by the agent to receive money for the principal, or where the authority to do so may fairly be implied from the usual course of trade, or the nature of the transaction, the principal may treat the sub-agent as his agent, and when he has received the money, may recover it in an action for money had and received."

The main subject may be considered, first, as to the grounds, and, second, as to the extent of the responsibility of the bank.

The grounds upon which the responsibility of the bank undertaking the collection depends, are thus stated in *Smedes vs. Utica Bank*, 20 John. Rep. 371. "It will be conceded, that had this been an undertaking by an individual, to demand payment, and give notice, it would be a *nudum pactum*, unless something more appeared than is disclosed in this case: for no benefit could result to the promisor, in performing the service, and paying the money over immediately after he received it; but the case of banking institutions is widely different; they are established to aid the commerce of the country, by giving facilities to the monied operations of the community; and on the strength of credit, to enlarge the amount of actual capital. The operations of a bank principally consist in loaning money and discounting notes, which are direct and immediate sources of profit. Incident to the business of a bank is the receiving of notes from customers for collection; when paid, the money is placed to the credit of the depositor, and remains in bank until called for. Where business of this kind is done extensively, it is evident that more or less of the money collected may be calculated on with safety to remain in the vaults of the bank. In some instances, the money may be immediately withdrawn; in others it will remain for a considerable time: and there is no doubt that thus, large sums frequently, and at all times some amount, may with entire prudence be calculated on.

The custom of receiving notes for collection is not founded on mere courtesy, but with a view to the interests of the institution, and it is a source from whence profit may, and does arise. It is no answer to this view of the subject to say, that banks have no fees or pecuniary advantages from the notes lodged for collection, by which is meant, I presume, specific compensation. It is enough for the plaintiffs to establish, as a general proposition, that the deposit of money in a bank is beneficial. This, I apprehend, has been done, and consequently the delivery of the plaintiff's note for collection, when nothing appears that either party knew or expected that the money would not be paid, must be considered as an act not imposing a burden; but as conferring a benefit, from which profit, however small, might arise. This act, then, was a good consideration for the defendant's promise,

and removes the objection taken on that ground. It is not necessary to show that profit would inevitably accrue to the bank; it is enough that a reasonable expectation exists that such will be the result.—*S. P. Bank of Utica vs. M'Cinster*, 11 Wend. 473.

And in 6 Met. 13, *Mechanics' Bank at Baltimore vs. Merchants' Bank at Boston*, where the transaction occurred between banks located at distant points, C. J. Shaw says: "The benefit which the collecting bank derives from the use of the funds whilst in its custody, and the profits on exchange, are a valuable compensation for the labor and expense to which the business subjects it, and constitute such bank, in acting for others, an agent for reward."

The general rule as to the extent of the responsibility was laid down in *Fabens vs. Mercantile Bank*, 23d Pick. 330, and *Mechanics' Bank at Baltimore vs. Merchants' Bank at Boston*, 6 Metc. 13.

Where a bank receives a note for collection, it is bound to use reasonable skill in making the collection, and for that purpose it must make a reasonable demand on the promissor, and in case of dishonor give due notice to the endorsers, so that the security of the holder shall not be lost or essentially impaired by the discharge of the endorsers. By reasonable skill is understood such as is ordinarily possessed and exercised by persons of common capacity, engaged in the same business or employment; and by ordinary diligence is to be understood that degree of diligence which persons of common prudence are accustomed to use about their own affairs. The rule in reference to banks entrusted with the collection of commercial paper, is not different from that which applies to private agents or factors. But in the case of *Allen vs. Suydam & Boyd*, 20 Wend. 321, the Court of Errors of New York held the agent to a stricter accountability than is warranted by the language of the cases cited from Massachusetts, or is consistent with the decision of C. J. Marshall in *Hamilton, Donaldson & Co. vs. Cunningham*, 2 Brock, 350.

Two interesting questions have arisen in this country on the application of these general principles. The first is, whether the collecting bank is responsible for the neglect of a notary, whom it is obliged to employ; and the second is, whether it is liable for an injury caused by a mistake in a doubtful point of law.

On the first question there is a conflict among the authorities. In Pennsylvania, Connecticut, Louisiana, and Mississippi, it has been held that the bank was not responsible for anything more than reasonable care and skill in the selection of a notary. Such, too, was the opinion of Chancellor Walworth in the case of *Allen vs. the Merchants' Bank*, 22 Wend. 215, and the intimation of the court in the *Bank of Utica vs. Smedes*, 20 Johns. Rep. 371. See *Bellemire vs. Bank of the United States*, 1 Miles, 173, *Hyde & Goodrich vs. Planters' Bank of Mississippi*, 17 Louisiana Rep. 560, *Tiernan vs. Commercial Bank of Natchez*, 7 How. Miss. 648, *East Haddam Bank vs. Scovill*, 12 Conn. 303.

But in *Allen vs. the Merchants' Bank*, 22 Wend. 215, the Court of Errors of New York lay down a different doctrine. As the question is one of great practical interest, we quote a portion of the opinion of Senator Verplanck, which was sustained by the majority of the court.

"What then is the ordinary understanding, contract, or agreement of a bank with one of its dealers, in the case of an ordinary deposit of a domestic note or bill, payable in the same town received for collection? It is a contract made with a corporate body having only a legal existence, and governed by directors, who can act only by officers and agents; or if it be with a private banker, he too is known to carry on his business by clerks and agents.

The contract itself is to perform certain duties necessary for the collection of the paper and the security of the holder. But neither legal construction nor the common understanding of men of business can regard this contract (unless there be some express understanding to that effect) as an appointment of the bank as an attorney or personal representative of the owner of the paper, authorized to select other agents for the purpose of collecting the note and nothing more. There is a wide difference made as well by positive law as by the reason of the thing itself, between a contractor undertaking to do a thing, and the delegation of an agent or attorney to procure the doing the same thing—between a contract for building a house (for example,) and the appointment of an overseer or superintendent, authorized and undertaking to act for the principal, in having a house built. The contractor is bound to answer for any negligence or default in the performance of his contract, although such negligence or default be not his own, but that of some sub-contractor or under workman. Not so the mere representative agent, who discharges his whole duty if he acts with good faith and ordinary diligence in the selection of his materials, the forming his contracts, and the choice of his workmen. Now in the case of the deposit for collection of a domestic note or bill, payable in the same town, no one can imagine that this, instead of being a contract with the bank to use the proper means for collecting the paper, is a mere delegation of power to act as an attorney for that purpose. If this were so, and it should happen that by the fraud, the carelessness, or the ignorance of a clerk or teller, the only responsible parties were discharged, or the note itself lost or destroyed, it would be a sufficient defence for the bank if it could show that the directors had employed ordinary care and caution in selecting their officers; or any similar defence which would be good in the mouth of an attorney in fact, or a steward acting in good faith for his principal who had been defrauded in any transaction. If such were the understanding of this business, and the merchant had to look to the responsibility of the teller or a clerk through whose hands his paper may pass, and not to that of the bank which employs them, few deposits for collection would be made, and it would soon be found expedient to deal only with banks or bankers who would guarantee their officers. But the natural and general understanding of men of business is surely not this; it is that of an implied agreement with the bank itself, of whose officers and agents they have no knowledge, and with whom they have no privity of contract.

"The decisions of our own courts, above cited, call this transaction a contract, and treat it as such. Then the law is clear, that by the employment of under agents or servants, for his own convenience, or to perform part of what he has contracted to do, the employer becomes civilly responsible to those with whom he contracts or deals in his business. The general principle of Lord Holt has always been cited with approbation, though the correctness of its application to a political office was denied, that 'where a trust is put in one person, and he whose interest is intrusted is damnified by the neglect of such as that person employs in the discharge of that trust, he shall answer to the person damnified.' 12 Modern R. 490. The same doctrine is thus summed up by Judge Story, from a long succession of authorities: 'It is a general doctrine of law, that the principal is held liable to third persons in a civil suit, for the frauds, deceits, misrepresentations, torts, negligences and other malfeasances, or misfeasances, and omissions of duty of his agent in the course of his employment, although the principal did not authorize or justify, or indeed know of such misconduct, or even if he forbade them, or disapproved of them.' Story on Agency, ch. 17, sec. 452, and authorities cited in note 3. 'The maxim is,' says Lord Kenyon, '*Respondent superior*—the principals are responsible for the acts of the servants

in those things that respect their duty under them, though not answerable for things that do not respect their duty.' 8 T. R. 531. This rule sums up the doctrine with great force, clearness, and precision. Thus the carrier is liable for the negligence of his agent, by which goods committed to his care are damaged. So the ship owner is liable to the shipper for damages caused by reason of the neglect or misconduct of the master or mate. 'This liability,' says Judge Story, 'extends not only to the injuries and wrongs of the agent immediately employed in a particular business (as in this case to the Merchants' Bank itself,) but also to the injuries and wrongs done by others who are employed by that agent under him, or *with whom he contracts* for the performance of the business; for the liability reaches through all the stages of the service.' Story on Agency, sec. 454, and cases there cited in note. It is this distinction, on which I have already insisted as founded in the reason of contracts, between the undertaking to perform anything, and the mere receiving a delegation of authority to act for another, which reconciles many decisions evidently equally just in themselves, but apparently clashing in words and conflicting in authority. I include among these, in addition to the class of cases already cited or referred to, those in which persons dealing or contracting with an agent or contractor, and trusting to his credit, have endeavored to charge his principal, with whom, however, they themselves had no privity; see, for instance, the two cases in 6 Taunton, 147, 148. If it be not a mere representative agency, but a contract or undertaking to do the business, the original principal is answerable; and for the same reason he is to look to the immediate contractor with himself, and not to the inferior and distant under contractors or agents, for faults injurious to his own interests.

"Such then being the general law, the bank, in undertaking to collect negotiable paper, is answerable for the neglect of its ordinary agents. Is there anything in the mere fact of the paper being payable in another city, and therefore requiring the aid of other agents, sufficient to take that case out of the general rule? I mean irrespectively of any agreement or implied understanding as to the matter. The Chief Justice, in delivering the opinion of the Supreme Court, holds that there is, and says: 'A note or bill left at a bank, and received for the purpose of being sent to some distant place for collection, would seem to imply, upon a reasonable construction, no other agreement than that it should be forwarded with due diligence to some competent agent, to do what should be necessary in the premises. The language and acts of the parties fairly import so much, but nothing beyond it. The person having the note is aware that the bank cannot personally attend to the collection, and that it must therefore be sent to some distant and foreign agent.' This seems to me to assume the very question in dispute. In a deposit of a note for collection, payable in the same place, the holder is equally aware that the bank cannot personally attend to the collection, and its management must be left to some one or more competent agents. But he makes an implied contract with the bank that the proper and expedient means shall be used to collect his note. So he does as to a foreign debt; and in each case he alike presumes that proper agents will be employed. In neither case has he any knowledge of the agents, or privity with them. I can perceive no reason for liability or exemption from liability in either case, which does not equally apply to the other. The bank, if its officers think fit, and the dealer will consent, may vary that liability in either case. It may receive the paper only for transmission to its correspondents. That would form a new and different contract, and would limit the responsibility to good faith and due discretion in the choice of an agent. But if this be not done, or unless there be some implied understanding on the subject, I see no difference between

the responsibility assumed in the undertaking to collect foreign bills, and that for collecting domestic paper payable at home. It is assumed in the same manner, in the same words, and on the same consideration. If the reasoning of the Supreme Court be correct, I cannot perceive how, either in the case of domestic collection, or in any other case, the principal is to be made liable for the default of his own agent, if from the nature of the business it was evident that some under agent must be employed, and that the principal could not do the business without aid. On this principle the ship owner would not be answerable for the negligence of the captain, whom all the world knows he must employ. The master mechanic, who must (as those who contract with him are well aware) employ sub-contractors, journeymen, and laborers, would no longer be liable for their negligence in the work he contracts to have executed. The same reasoning which would here make the New York bank merely an agent 'to select other agents abroad for the party, to become his agents in the collection,' would equally make the ship owner and the contracting builder mere agents to select masters, mates, journeymen, and laborers for those with whom they deal. If it be 'unreasonable' to suppose, as the Chief Justice holds, that the bank assumed 'to become responsible for the fidelity of agents abroad,' who, 'all parties knew must intervene before the collection,' and when the plaintiffs 'knew that others must be trusted,' it must be quite as unreasonable in the case of domestic collections, and of all other transactions, where the parties knew that 'agents must intervene and others be trusted.' But in all these cases, the parties are not governed by the mere rule of personal representative agency, but are subject to the responsibilities imposed by the law of commercial contracts, of bailment or of shipping. In all these cases, we are not to look to the necessity of the employment of distant or under-agents. We are to look to the contract itself. *Legem enim contractus dat.* We are to look whether the contract is only for the immediate services of the agent, and his acting faithfully as the representative of his principal, doing for him, in the business confided to his care, what the principal is not able or willing to do for himself, or whether the contract looks mainly to the thing itself to be done, and the undertaking be for the due use of all the proper means for its performance. In the one case, the responsibility ceases with the limits of the personal services undertaken; in the other, it extends to cover all the necessary and proper means for the accomplishment of the object, by whomsoever used or employed.

"Again: it is not true, in the usual and well known course of trade, that there is no other agreement implied than that deposited paper payable abroad shall be forwarded with due diligence, or, as Judge Oakley charged, that 'the banks are only bound to transmit such paper in due form and in due time.' By the known ordinary usage of business, unless when altered by some special agreement or usage, the banks undertake something more than this. This the holders of paper could do for themselves. But the banks also undertake to receive and pay the funds here, when collected elsewhere. The foreign bank does not know the owner of the bill so as to open an account with him, and to authorize him to draw upon his funds when collected. They know only the bank from which the paper was received, and that bank has at least undertaken to manage the business of exchange between the places. On what ground, then, is the bank receiving for collection, to be answerable only for the first and last stages of the transaction, and to be discharged from any liability as to all intermediate steps?"

The court, in their judgment, declare the law to be, that in the absence of any express contract, a bank in New York, receiving for collection a bill of exchange drawn there upon a person in another state, is liable for any

neglect of duty occurring in its collection, whether arising from the default of its officers at home, or its correspondents abroad, or of agents employed by such correspondents; and that the neglect of a notary, who is a commissioned public officer, does not vary the rule. The same rule has also been settled in South Carolina, as New York: *Thompson vs. the Bank of the State of South Carolina*, 3 Hill's S. C. R. 77.

The other question arose in the case which we have before cited from 6 Metcalf. A post note, issued by the Franklin Bank at Boston, had been sent to the Merchants' Bank of the same city for collection. It had been the practice of the Franklin Bank, so long as it remained solvent, to pay such notes at their maturity, without days of grace. The question as to the right to days of grace had not been raised, and the defendants, under an impression that the usual practice was valid and proper, presented the note in question at maturity, and on its being dishonored, gave notice thereof to the endorsers, whereby they were discharged, the bank being afterwards held to be entitled to grace. The Supreme Court of Massachusetts decided that under the circumstances, the point of law being doubtful and unsettled, the Merchants' Bank was not responsible. The following general remarks state the principles upon which the judgment of the court was founded.

"In general, the rules of law in relation to the presentment of bills of exchange and promissory notes for payment, and for giving notice to endorsers, are so plain and simple, so well known by notaries public, cashiers of banks, attorneys, and brokers, that any failure to comply with them by any agent, acting in behalf of another, would carry with it such proof of either want of skill, or want of ordinary diligence, as to render him liable to his principal. It is, therefore, often laid down in general terms, that when the holder of a bill or note has lost his remedy by these means, against a responsible party, and thereby sustained the damage, he has his remedy against his agent. But the specific question to be considered is whether an agent in all cases is bound to know the rules of law, and conform to them, at his peril, in the transaction of his employer's business, although the course of proceedings may depend upon statute provisions, so recently passed as not to be generally known, or decisions of those courts whose judgments are usually regarded as precedents and rules of practice, either not promulgated at the time, or so recently given as not to be generally known among business men. It is undoubtedly a salutary maxim that every man is bound to know the law, and that ignorance of the law excuseth no one; yet these maxims must be confined to the cases for which they were adopted. In the criminal law, a man is estopped from setting up his ignorance of the law as an excuse for its violation, because it is his duty to inform himself. So, in regard to his own rights, in dealings with others, he must, at his peril, ascertain his legal rights, and must be presumed to act in conformity to them; otherwise, there would be no safety for others in dealing with them. But the maxim has no application to the duties of those from whom ordinary skill only is required. Reasonable skill and knowledge only are demanded in every other branch of science; why should absolute knowledge and consummate skill be required in a department where it is often impossible to know the law, in its application to a particular state of facts, until it has been authoritatively declared? Take, for instance, on this very point as to the legal mode of demanding payment of a bill of exchange, the case of *Rowe vs. Young*, 2 Brod. & Bing. 165, and 2 Bligh. 391, decided in the House of Lords in 1820. It was the case of a bill of exchange, payable at a certain day, drawn generally on A B, and by him accepted, payable at the house of a banker, specially designated by the acceptance. The question was, whether it was necessary to aver and prove, in order to maintain an action against the acceptor, that

payment had been demanded at the banker's, at the maturity of the acceptance. The Court of King's Bench had decided the question one way, and the Court of Common Pleas the other, and in the House of Lords, on a reference to the twelve judges, there was great diversity of opinions, and most of the judges stated the grounds of their respective opinions at great length. It was ultimately held that it must be averred and proved that it was demanded at the house of the banker designated in the acceptance. Now suppose, before that decision, a banker in London had received from his correspondent in the country such an acceptance, and following a series of decisions in the Court of King's Bench, had presented it, at maturity, not at the house of the banker, but to the acceptor personally at another place; but before any recovery had on the bill, this decision of the House of Lords had occurred; would it be reasonable to hold such an agent personally responsible for the knowledge of so doubtful a point of law? If it would, it would be holding him for a degree of skill, greatly beyond that required by the general rule. But after such a decision, a decision of so much importance, that it would be likely to be soon known to men conversant with that branch of business, it would not be unreasonable to hold, that not to be acquainted with it, or not acting conformably to it, would be negligence or ignorance, rendering such an agent liable."

THEORY OF THE CURRENCY.

There can be no doubt that the pamphlet on the currency, published by Mr. Tooke in the spring of 1844, must be regarded as one of the most extraordinary and valuable contributions ever made to the progress of monetary science. The variety of its merits is as remarkable as their originality and rarity. It contains a summary of the conclusions to which one of the most eminent observers of currency phenomena has been conducted by a long course of reflection and experience; it contains an outline of the entire controversy, distinguished by a comprehensive and perspicuous brevity; and it conveys, with great clearness of expression, certain new views of some of the fundamental principles of the subject, of which it is no exaggeration to say that they will lead, before long, to an important modification of existing laws and theories. Not the least uncommon and laudable merit of this publication is its moderate bulk and intelligible style. The reader is not only presented with clear outlines and new doctrines, but he is presented with them unclouded by a cumbrous load of collateral text and gratuitous illustration. In addition to the rare merit of being a discoverer in a path so frequented as the currency, Mr. Tooke presents an example, if possible, still more rare, of writing a book on that vexed question totally free from the incoherent verbosity and the domineering dogmatism which have very nearly cleared the field of everybody who knows the value of time, and respects the limits of patience.

Mr. Tooke's immediate object in the publication of his book, was to express his dissent from the doctrines of the "currency theory"—the creed which at present prevails among most of the financial statesmen and writers of the day. The distinguishing articles of this creed teach, that the only type of a safe and true monetary system is a purely metallic currency; that whatever paper expedients, such as bank notes, may be introduced into circulation, for the sake of convenience and economy, it is indispensable that the variations in their amount should correspond exactly with what would

be the variations of a metallic currency under the same circumstances; that upon the outstanding amount of gold and silver and bank notes depends, in a very intimate degree, the course of prices and the sound state of mercantile affairs; that the Bank of England and the country banks have the means of fixing *ad libitum* the amount of their own outstanding issues; and that therefore it is necessary that some limit should be placed upon the exercise of so formidable a discretion. It is also a favorite dictum of the authors of this theory, that under a purely metallic currency the amount of outstanding coin would vary with the state of the exchanges—diminishing when an unfavorable exchange carried specie abroad, and increasing when a favorable exchange again restored its re-importation.

It is quite familiar to those who take any interest in these topics, that Sir Robert Peel is one of the most eminent believers in the currency theory, and that his banking legislation of 1844 and 1845 is founded upon its principles.

Mr. Tooke dissents almost entirely and without any exception from the doctrines of this new party, and while he coincides with most of the grounds of opposition to it, already familiar to the public, and of various origin, he adds several new and peculiar reasons of his own. The arguments against the currency theory to be found in the writings of those who oppose it equally with Mr. Tooke, but who do not fall into his new doctrines, may be briefly stated under a summary of four points, thus—1. They contend that the country banks have not the means, even if they had the will, to fix *ad libitum* the amount of their outstanding notes. 2. That the country banks, so far from being the active and controlling regulators of their note issues, are absolutely passive agents, simply acting under the demands of their customers. 3. That the prices of commodities are not affected either one way or another by the amount of outstanding country notes; and that instead of country notes controlling prices, the amount of the country circulation depends entirely on the course of prices, and the activity of trade resulting from the natural laws of supply and demand. 4. That it is absurd to confine the dispute to bankers' notes, seeing that the whole amount of this class of issue is a very insignificant part of our column of paper credit, and that, in nearly all important particulars, cheques and bills are as much currency as is the circulation of bankers.

After the decisive evidence collected by the committees of 1840 and 1841, we feel fully certain that the general recognition of the three first of these propositions is purely a matter of time. The trammels of theory and fashion may sustain the existing notions in a majority for a season, but the cogent force of a logic full of circumstantial proof, will prevail in the end.

The party who maintain the four allegations we have enumerated express no dissent from the remaining part of the currency theory, which believes a full command of the current of its circulation to reside in the Bank of England—which believes the bank to be able to control prices by the variations of its issues—and which inculcates, in the most unhesitating terms, that the range of prices and the course and intensity of speculation rise and fall with the abundance of money, that is to say, according to the most general meaning of the term, with the abundance of Bank of England paper.

Now, it is in this latter division of the argument that Mr. Tooke appears to the greatest advantage. He holds the exact negative of the current notions. He contends—1. That the Bank of England's outstanding issues are as emphatically the result of the spontaneous action of the public on the bank, as are the outstanding issues of the country banks the result of a similar influence; in other words, he contends that the Bank of England and the country banks are precisely in the same situation, as to the retention of their notes by the public. The principle is the same in both—they cannot

keep out a single note beyond the quantity required by the wants of the country for the time being. 2. He contends—and this is his chief point—that neither the amount of the outstanding circulations of the Bank of England, nor of the country banks, nor what is called the cheapness of money, have any thing to do with the ordinary prices of commodities; that the governing law of prices is the commercial aspect of the market, proceeding upon a calculation of supply and demand. 3. That the Bank of England cannot act upon the foreign exchanges through the medium of its circulation, but only by means of its influence as a bank of discount, *i. e.*, as a bank making advances on security. 4. That under a state of the law which requires payment in the metals on demand, the fluctuations of the bank note circulation, both metropolitan and provincial, are of no consequence whatever, and that the real vital question is not the business of issue, but the business of banking; not the circulation of the few thousands of a banker's credit, but the end and scope of the advances in which he employs his own and his customers' capital. Subsidiary to these leading views, Mr. Tooke puts forth several suggestions, and uses several arguments of hardly less importance. In a practical point of view, probably the most valuable part of the pamphlet is the section in which he advises the constant reservation in the bank of a stock of bullion, of from ten to fifteen millions. There is also great force and sagacity in the reasons he lays down for believing that, even under a purely metallic system, the quantity of outstanding coin would not vary with every export and import of bullion or specie; and he revives, with excellent effect, and for a valuable purpose, the distinction, drawn by Adam Smith, between the paper currency employed in wholesale dealings and the currency circulating among the retail and poorer classes. We must not omit to distinguish the discrimination he establishes between the prices of commodities and the prices of shares, and the exceeding care which prevails throughout the pamphlet to fix the meaning of all technical terms by a luminous definition.

For ourselves we have no hesitation in stating our full adhesion to the substance of the views put forth by Mr. Tooke. Probably we might wish to modify the order, or the terms of their expression, in a few places. But these exceptions would not be numerous. On one point, however, we are anxious to clear away all uncertainty; and not only fully to state our own notions, but also, if possible, to ascertain what are Mr. Tooke's real opinions on this particular topic.

Nothing can be more satisfactory than the course of proof by which Mr. Tooke establishes his propositions—that there is no immediate connexion between the amount of the note circulation and the range of the prices of commodities; that the respectable part of the mercantile community are not stimulated into speculations on prices merely by the facility of obtaining loans, and by a low rate of interest; and that a continued low rate of interest has a direct tendency to lessen prices by cheapening production, through the diminished cost of discounts and borrowed funds.

We fully assent to all this, but while we do so, we cannot avoid a feeling of regret, that after a close perusal of the pamphlet, we do not find any intimation of Mr. Tooke's coincidence in the belief that a low rate of interest prevailing for some time, and associated with its usual accompaniment of a glut of capital so complete that employment for it at any rate is a matter of difficulty, does inevitably lead, sooner or later, to an unsound state of enterprise and credit. In one or two places we find expressions which appear to sanction this view, but to the best of our judgment there is no passage in the book which refers to it distinctly. Mr. Tooke has fully effected his principal purpose of refuting the currency theory on its own ground; and prob-

ably, in his zeal to establish the non-existence of any immediate connection between currency and prices, he has overlooked a view of the subject which we think admits of the fullest confirmation.

We believe the line of causation between a continued cheapness of money—that is to say, a continuous low rate of interest, say $1\frac{1}{2}$ to $2\frac{1}{2}$ per cent., and an unsound state of enterprise and credit—to be this:—1. There is very great difficulty experienced by bankers and others in finding employment for their funds, on first and second class securities, at *any rate* of interest. 2. In consequence of this difficulty, there is the gradual growth of a disposition to accept securities of a less eligible character, for the sake of the better rate of interest, or the better profit; in other words, the degree of risk is increased for the increased degree of gain. 3. Through the medium of this abated standard of admissibility, there is a gradual introduction into the line of discount and advances, of men, who, under other circumstances, would not be able to obtain ready money, except upon more expensive and more restrictive conditions. 4. Through the over-sanguine or improvident operations of this inferior class of borrowers, there is a slow or sudden (according to circumstances) manifestation of activity and speculation, in some departments of trade or enterprise. 5. The continuance of a brisk state of things, gradually draws into the same channel the more substantial and prudent classes, and from being at first an incident, it becomes, at length, the characteristic of the times. 6. There is then, a mania, more or less general on all hands to press into the new pursuit; a season of excessive excitement; and of course a re-action, and a panic.

There is nothing in this statement at all inconsistent with Mr. Tooke's theory. It is quite certain that a continued low rate of interest is neither caused nor increased by the issues of a convertible currency; and it is also true, that, directly, the channel of prices and the channel of currency have no more connexion than the waters of the Thames and the Tweed. Under the state of things we have described, it is not the state of the notes, but a fallacious estimate of supply and demand, or a mistaken notion of the character of some great invention or enterprise, such as railways or joint-stock banks, which leads to the ascendency of an inflated confidence, and a gambling spirit. We do not very clearly see that any measures are within reach by which the rate of interest can be controlled either one way or another. But we have satisfied our own minds, that in the gradual and circuitous way we have described, the inevitable sequence of a long season of depressed rates of interest, is a period of vicious and extensive speculation.—*London Bankers' Magazine.*

ATLANTIC AND PACIFIC OCEANS.

Remarks upon the proposed Ship Canal across the Isthmus of Tehuantepec.

By Hon. George M. Dallas.

To abridge the tedious and dangerous voyage around Cape Horn, and to give to navigation a direct and safe access to the eastern shores of the Pacific, has been a favorite scheme for centuries of scientific exploration and of mercantile hope. For a long time its practicability at any point was disputed. The best inquiries left it in doubt. Every narrow portion of the continent of America has undergone examination; has, for a while, been regarded with preference, and has again been abandoned. Difficulties sprang up as to each, and a comparison of their relative advantages, affected more or less

by the desire of the respective engineers and explorers to render the junction of the two seas specially serviceable to their own countries, excited apprehensions as to all. Still I am abundantly satisfied that the project is not only practicable, but practicable under the joint auspices of the United States and Mexico, at a moderate cost, and within a short time.

Five routes for crossing have attracted special notice. 1. By the isthmus of Panama. 2. By the isthmus of Darien. 3. By the lake of Nicaragua. 4. By the river Atrato, from the gulf of Darien, running south through Choco, in New Grenada, until it nearly meets the San Juan, which empties itself into the Pacific at the port of Charambiro. And 5. By the isthmus of Tehuantepec. Of these routes it may in general be said that the one across the isthmus of Panama and the one by the lake of Nicaragua have been heretofore best explored and most approved. In 1805, Baron Humboldt, who enumerated four additional routes, was discouraged as to that by Panama, because "*no measure of elevation, and no level, had ever yet been executed in that isthmus;*" and from all the information he could procure, it appeared to him that the expectation of a ship channel by canal across that isthmus "*ought to be completely abandoned.*" Since that period, however, the topography of the region has been carefully and closely investigated. Steam power and railways have become adjunctive elements for calculation and arrangement, and conclusions much more favorable, as well as better founded, may now be drawn. In 1825, a well-reasoned but still imperfect judgment in favor of the Panama route was published, and several others have since appeared; but the last, and far the most impressive, is in a Parisian pamphlet purporting to be an abstract of a report made to M. Guizot, the minister of foreign affairs, by Napoleon Garreli, engineer in chief, attached to the Royal Mining Corps in 1845, and to set out a "*Project for uniting the Atlantic and Pacific Oceans by a Canal across the Isthmus of Panama.*" In 1829, G. A. Thompson, a diplomatic agent of the British government, published his "*Official Visit to Guatemala;*" and he therein describes the route by the lake of Nicaragua, and the various steps which had been taken (in 1825) as well by the king of the Netherlands as by great banking houses in England, with the legislative sanction and aid of the local government, to form a navigable communication between the two oceans by means of that lake and the river San Juan. This mode of effecting the object has commended itself, after critical scrutiny, to many other, and seems to be somewhat favored by P. Campbell Scarlett, a British traveller, in his lively work on "*South America and the Pacific,*" printed in 1838.

You cannot, however, be benefitted by my considering further or minutely the facilities or difficulties of the Panama and Nicaragua routes. Whatever may be the superiority of their advantages, we are not in such a relation to them as can make it of the slightest practical use to enter elaborately into their development. Let me fix your attention exclusively on the route by the isthmus of Tehuantepec—a route which, if practicable on almost any terms, must recommend itself over all others, by being, as it were, at the very outlets of our estuaries, or on our commercial threshold.

This route runs through Mexican territory. It commences at the mouth of a river called the Huasacualco, emptying itself into the southern section of the Gulf of Mexico: it thence takes a generally southern and western direction until it reaches Tarifa, at which town a canal or rail road begins; and the route with it continues in the same course to western lakes, which then furnish a direct highway to the river, the city, and the gulf of Tehuantepec on the Pacific. The topography of this isthmus has been investigated with some care; it might, indeed, be unwise to begin practical operations without a fresh and thorough survey, but enough is known to render it quite

certain that the communication can be opened without unreasonable expenditure of labor or money.

The width of the isthmus, from the mouth of the Huasacualco on the Mexican gulf to the shores of the Pacific at Tehuantepec, is about one hundred and thirty-five miles. The central mountainous chain, which, conformably to its relative position throughout both Americas, is much nearer to the Pacific than to the Atlantic ocean, exhibits here a depression which continues from Santa Maria Patapa to Miguel de Chimalapa. For a distance of about twenty-five miles, a summit-level or plain is formed, whose streams flow north, and whose boundaries at the south and south-east are a chain of small hills called the Cerros (highlands) of Masalma and of Espinosa, which separate the waters flowing north from those flowing south, and between which, here and there, are passages, such as the Portillo (gate) of Chivola, and the Portillo of Tarifa. Streams, starting from this space of depression in the great mountainous ridge, and running *north*, empty themselves in the Huasacualco; those running *south* empty themselves in the Chicapa, which, in turn, discharges itself into the lakes east of Tehuantepec; and it is one or both of these rivers—Huasacualco and Chicapa—which may be employed in effecting the transit across the isthmus, by uniting them either by a canal, a railway, or a good macadamized road.

This route for the junction was pointed out by Fernando Cortez, the conqueror, as long ago as the year 1520. Indeed all the three principal routes to which we have referred—Panama, Nicaragua, and Tehuantepec—were designated by Lopez de Gomarra in his History of the Indies, as early as A. D. 1551; and it is worthy of remark, that these three routes are the only ones which, after the lapse of three centuries and many explorations, present the least promise for the construction of a ship canal.

For more than two centuries the hope of effecting a navigable communication between the oceans seems to have been wholly abandoned. At the close of the last century, however, this old project of uniting the Huasacualco with Tehuantepec, in Mexico, revived; and Augustin Cramer, after making some researches in 1774, under the orders of Viceroy Bucareli, proposed to carry it into effect by a canal, fed from two small tributaries of the Huasacualco. More recently, the general government of Mexico, in 1825, authorized General Orbeagozo to explore this route; but that officer, misled by the defect of the only barometer he had with him, came to the conclusion that the construction of a canal there was a work almost impracticable, and restricted himself to recommending a good road. At last, in 1842, Joseph de Garay, having obtained, by legislative desire, the privilege of making a communication between the two oceans across this isthmus, established a board of commissioners under the direction of an engineer, Gayetano Moro, with instructions to give the isthmus a thorough scientific exploration. Moro published his labors and their results in 1844; and, as the information he gives is certainly the latest and most authentic, it may be agreeable to you to have it set forth briefly.

The village of Tarifa, which gives its name to the plain at the depression of the central chain of mountains to which we have referred, is seated about 700 feet above the level of the sea; the plain itself is somewhat lower. The hills which bound the plain on the south and south-east, and divide it from the waters flowing south, have but little elevation; and a cut of some fifty or a hundred yards in length would alone be sufficient to enable some of the streams on the plain to run south by the Portillo of Tarifa. One of these hills, the Del Convento, in which the Rio Monetza takes its rise, and thence flows into the Chicapa at San Miguel, stands alone, and on two of its sides, particularly at the north, are clefts so sunken that a cut through them would

be a work of extreme ease. The direct distance between Tarifa and the river Bocabarra, through which the lakes on the western side of the isthmus reach the Pacific, is about thirty-seven miles. On the southern declivity, the principal streams are the Rio Ostuta and the Rio Chicapa, both of which empty themselves into the lakes, the latter about eighteen miles from the Bocabarra and nineteen miles from Tarifa. All the streams on the northern declivity flow into the Huasacualco, and that river, after a very winding course, reaches the Gulf of Mexico, about one hundred and five miles from Tarifa. One of its chief tributaries is the Malatengo, which flows into it on its left bank, about ninety direct miles from its mouth, or one hundred and sixty miles following its circuitous bed. The Chicapa, gauged above San Miguel Chimalapa, by combining several rivulets flowing from the central chain, rolls a body of water estimated at about twenty-two cubic feet per second. The Ostuta is in volume five or six times larger, and, which is really remarkable, and indicates extreme thirstiness of soil, this volume of water diminishes as it lengthens its distance from its original source.

The volume of water in the Huasacualco is great, and at the lower part of its course it would be navigable for ships of any size, were it not for the bar at its mouth. The depth of water upon this bar has been, at different times, ascertained to be: by Dampier, fourteen feet; by Cramer, eighteen feet; by Orbegozo, fourteen feet; by Robinson, twenty feet; by Moro, twenty feet. These differences are explainable, with great probability, by supposing the bar to be intersected by sub-marine canals, or clefts, and the soundings not to have been made in the same one.

At about thirty-three miles from its mouth, near a place called La Horqueta, (the Fork,) the Huasacualco divides into two branches, the right and chief of which, the Apotzongo, runs a course of twenty-five miles, and the other, or left one, the Mistan, a course of about thirty-three miles—they encircle a large island called Tecamichapa. Below this island, the depth of water always exceeds twenty-two feet, and becomes sometimes thirty-seven or thirty-eight feet. But above the re-union of the two branches, there are shallows, which, it is thought, may be got rid of by damming the Mistan at La Horqueta. Above this latter point, the depth decreases; at some places it is found to be from twenty-five to thirty feet, but in general it is less than twenty-one, and even sinks to seven or four. Two points only, however, may be regarded as difficult to overcome—the old Mal-paso, and the present Mal-paso—the first being between three and four miles below the confluence of the Malatengo with the Huasacualco, and the second between nine and ten miles below the first, at the confluence of the Rio Sarabria. At these two points, the rocky character of the river's bed would make its deepening difficult.

On the other side of the isthmus, the Bocabarra, which constitutes the pathway between the Pacific ocean and the lakes, or lagoons, into which flow the Chicapa and Ostuta, has a depth of about twenty-four feet; but its opening on the lakes is obstructed by a bar, whose depth of water does not exceed nine feet. Moro ascribes the original formation of this bar, in a great degree, to the fact that formerly the river Tehuantepec emptied itself into the lake, and is of opinion that if it were removed by artificial contrivances the result would be permanent. He thinks that this removal might be accomplished by giving a direction to much of the water of the Ostuta above towards feeding the canal, and thus diminishing the force of the current in the lake. After passing the bar the depth increases; but throughout the eighteen miles, or thereabouts, of distance from the bar to the mouth of the Chicapa, not more than nineteen feet of water are to be had, though modes of augmenting its depth could readily be found.

These minute details, translated and transferred from the French publication already mentioned, and whose accuracy I perceive no reason to doubt, are introduced here in order to show that the subject has not been lightly considered. They prove that the two principal obstacles to the creation of a ship channel across the isthmus are the bars at the respective mouths of the Huasacualco and Bocabarra. Now, the bar at the mouth of the first of these rivers ceases to be an impediment as soon as its main submarine canal, over which twenty feet of water have been found, is fixed with accuracy and marked by lines of buoys; and the bar at the mouth of the other river, within the lake, is removable, either in the manner suggested by Moro, or upon the plan heretofore successfully pursued, under the direction of our corps of topographical engineers, with bars at the entrances of our rivers from the northern lakes. Then, by surmounting the inferior obstacles—namely, the occasional shallowness of the Huasacualco, and of the lake, either by sinking the bottoms or raising the water, and the short dividing swell of land between the source of the Rio Monetza, running south into the Chicapa, and the source of any one of the streams running north into the Huasacualco—an uninterrupted water highway is effected. There does not, indeed, appear on the whole line of this route any difficulty which the present resources of our science and mechanical art may not vanquish.

We should all, perhaps, prefer a canal of large dimensions, fit to accommodate vessels of every size; and the expenditure for such a one, having reference to the route specially described, is estimated differently at from fifteen to twenty-five millions of dollars. These estimates are liberal, and are probably exaggerated by an imperfect knowledge of the local aids in the presence and cheapness of material and labor which would be furnished. Still, the highest valuation is, in contemplation of the purpose and its incalculable results, far from being appalling. But it may be, that a canal much smaller, and, of course, less costly, would be attended by every substantial advantage; and, indeed, it is even easy to imagine that consequences very salutary and important might flow from leaving inducements to the construction of two free cities, one on the bank of the Huasacualco, and the other on the bank of the Bocabarra, or the Pacific, as *termini* to a railway. It will appear, from a careful consideration of the commerce which may be expected to direct its course through this passage, that the number of vessels of heavy tonnage and deep draught would bear a small proportion only to those of light tonnage and shallow draught; and, in all probability, the great additional expense incident as well to the construction, as to the keeping up, of a canal on the larger scale, would not be repaid by corresponding advantages. The average burden of vessels from the United States to the ports on the Pacific, including the Sandwich Islands, to China, and on whaling voyages during the years 1845-'46, was short of 400 tons; and I should doubt whether, if this junction were effected, the burden of nineteen-twentieths of the craft passing through it would exceed that engaged in our coasting navigation. A canal adequate to the perfect accommodation of the great influx from our own country might, therefore, exact an outlay of but ten millions; and trans-shipments of large cargoes, though always more or less inconvenient, could be indemnified by the rapidity of transit by steam power. It is hardly necessary to say that the American people, in the event of a speedy restoration of peace, will find themselves in circumstances of extraordinary prosperity, which will enable them to afford, out of the national treasury, to appropriate for five years five millions of dollars for the superior, or two millions for the inferior, order of canal.

Having given you this sufficiently precise description of the contemplated work, showing it to be practicable, and nothing repulsive in its probable cost,

let me indulge in a few remarks of a more general character, or rather hints for you to meditate upon.

The chief objects to be attained are, a speedy communication between this country and the western coasts of North and South America, especially with our territories of Oregon and California; an easy and quick access to China, the groups of the South Sea Archipelago, the Sandwich Islands, Russian settlements, and even, before long I hope, the tempting and untouched treasures of magnificent Japan; and, finally, the facilitating and enlarging of that great source of wealth, as well as nursery of able seamen, the whale fishery.

Now, I cannot resist the impression that this junction of the two oceans at the isthmus of Tehuantepec would Americanize this vast and augmenting portion of the commerce of the world. It would give to the people of the United States the overwhelming advantage of an abridgment, by fully one-half, of geographical distances. Against the merchants of Europe it would give ours two voyages to one. There is scarcely a region in the limitless South Sea, with which a trade would be lucrative, that could not be reached by them in half the time that would be consumed by English, French, Spanish, Dutch, or Swedish navigators. "If," says Mr. Scarlett, "this scheme were realized, it has been calculated that the navigation from Philadelphia to Nootka Sound and the mouth of the Columbia river, which, by Cape Horn, is now 5000 leagues, would be reduced to 3000 only!" In fact, the reduction would be greater. But at this rate what would the reduction necessarily be as regards the navigation in that direction from New Orleans, Mobile, St. Augustine, Savannah, and our entire southern seaboard? The interchange of commodities between our great and teeming valley of the west, and the rich and rising regions of the Pacific, would be accomplished almost at the mouth of the Mississippi.

Nor can securing, in this way, for our own country, the just benefits of her relative position be made the subject of complaint by other nations. We do not propose—at least I hope not—to monopolize the uses of the canal; on the contrary, it would be thrown open on terms, if not of equality and freedom, of the utmost liberality. Although an artificial structure, reared by the money and policy of our people, I would give it the unchangeable character of a public highway of nations.

CANAL ACROSS THE ISTHMUS OF SUEZ.

We have several times alluded to the grand project of Napoleon of cutting a ship canal across the Isthmus of Suez to join the Mediterranean and the Red Sea—thus intending to destroy British influence in the Eastern Empire. Since the peace, but particularly the establishing of the overland route to India *via* France, Austria, and Belgium, to Alexandria and Suez, by the indefatigable exertions of Lieut. Waghorn, R. N., F. R. A. S. &c., to whom we are indebted for this expeditious communication, monthly, with our possessions in the East, the subject has attracted the serious attention of the European powers and eminent engineers—but none more so than England. Several plans of a railway across the desert from Grand Cairo to Suez, 84 miles, were proposed, but the laying down of a line on those arid and scorching sands is considered next to impracticable. A ship canal is that which has always been deemed the most successful, as the Nile—from Atfe to Cairo, 120 miles, and Alexandria to Atfe, by the present canal, 44 miles—

offers so many facilities to such a stupendous undertaking; but the viceroy of Egypt has hitherto evinced considerable opposition to a canal or a railway from Alexandria to Suez, although the offers of a *tollage* were very tempting for his coffers. The late visit of his son, Ibrahim Pacha, to this country—when he inspected our great manufacturing and mining districts, passed over our principal railway lines, and was able to appreciate the splendid steamers from Liverpool to America, from Southampton to the Mediterranean, the West and East Indies, and from the Thames to the north of Europe, showing our national industry and commercial intercourse with all parts of the globe—had a great influence on the talented and searching mind of that prince. On his return to Egypt, he laid before his discerning father the observations he made during his short sojourn, and how advantageous it would be to the aggrandizement of that flourishing portion of the Levant, if railways and steam navigation were introduced, not only to facilitate the inland traffic, but especially the transit from Alexandria to Suez. The viceroy has maturely considered the subject, and is now desirous that this great undertaking should be accomplished, and every assistance rendered on his part to carry it out. It appears the British, French, Austrian, and Russian, governments have come to an understanding on this important commercial enterprise; and several eminent engineers—English, German, and French—are at present in Paris, concocting the best plans to commence this grand affair, which will be the means of opening to the manufacturing, agricultural, and mining industry of Europe, India, Australia, Van Dieman's Land, and New Zealand, an expeditious intercourse with each other. One of the stipulations on the part of the British government is, that the canal shall not only be made navigable for merchant vessels, but for the largest ships of war and steamers, to which the other powers have agreed. It is proposed to have a regular line of steamboats between Alexandria and Suez, and *vice versa*—so that a communication will be kept up between the Mediterranean and Red Sea, our possessions in India, and in the fifth quarter of the globe. Should this be accomplished, it will be one of the greatest benefits that could have occurred in the annals of commercial and engineering enterprise; and we have very little doubt but that it can be done, considering the advancement made in science within the last half century, and the disposition on the part of all the European powers to encourage industry and maintain peace, without those national jealousies which have hitherto been the greatest evil to the commercial enterprise and benefit of mankind at large. The joining the South Pacific across the Isthmus of Panama with the Atlantic, by a ship canal, is another of the daring ideas of the present century, and there is every probability it will ultimately be accomplished by British and French engineers—thereby opening this long desired communication between the two great oceans.—*London Miners' Journal*.

THE VALLEY OF THE MISSISSIPPI.

Extracts from the Annual Report, upon the Trade of New Orleans, by the editors of the New Orleans Price Current, September 1, 1847.

In accordance with our custom at the close of one and the commencement of a new commercial year, we proceed to a brief review of the operations of the past season, in our leading staples, and propose also to add a few general remarks upon the prospects of the crops, so far as yet developed, and upon the probabilities presented regarding the future course of the most prominent

branches of trade in which our city, and the vast and fertile regions from whence she draws her supplies, are more immediately interested. Our limited space will not permit us, even if we possessed the requisite ability, to do full justice to a subject so comprehensive as the vast and increasing trade of this great emporium of the South and West; but we may nevertheless hope that the accompanying facts and statistics will be found of sufficient importance to attract the attention of those who feel interested in the progress and development of the richest portions of our common country.

Decidedly the most prominent feature in the commercial history of the season just closed, as connected with the trade of our city, is the vast increase in the receipts and exports of breadstuffs. It is of course familiarly known to all that a large deficiency in the crops of Great Britain and Ireland, and of many portions of the continent of Europe, produced an extraordinary demand upon this country for various articles of food; among the most prominent of which are flour, wheat, indian corn, and corn meal; and the remarkable increase in the receipts and exports of these articles—as shown by our tables, and more particularly referred to in another place, under the head of western produce—forms a feature of commanding interest in the trade of the past season. It demonstrates the mighty strides of the great west in the development of her resources, and gives earnest of such boundless capability of production, under encouraging circumstances, that imagination itself can scarcely venture to compass the probable reality. This famine, however, in foreign lands, while it has added largely to the wealth of the producers of grain, in the northern, western and middle states, has had a counter influence upon the prospects of the cotton planters of the south; particularly those of Louisiana and Mississippi; who being deprived of full crops by a dispensation of providence, had looked to a large advance in prices to remunerate them for deficiency in quantity. In this, however, their too sanguine hopes have been disappointed; and must ever be under similar circumstances; for dear food and dear clothing cannot be maintained at the same time, among such a population as constitute the consuming masses of Europe. As a general remark their means are too limited to purchase both; and as food is the first necessary of life it of course commands the preference, and absorbs all the earnings of the laborer. Happily the late accounts from the other side of the Atlantic give promise of a more cheering state of things for the coming season; and we sincerely hope, both on the score of humanity, and the general advantages of trade, that Europe, and all other countries, may be blest with abundant harvests. As for our own highly favored land, this blessing may be considered secure; and should the evil of famine again be visited upon any portion of the human family within the grasp of our widely extended commerce, our flowing granaries, besides supplying abundantly the wants of our own population, will furnish food for millions.

Among the novel innovations which modern genius is almost daily introducing, to disturb the established usages of by-gone times, we may note the rapid extension of the magnetic telegraph; by which time and space are, as it were, annihilated, in the transmission of intelligence between parts however remote, when connected by the magic wires; and it is probable that only a few months will elapse before our city will be placed in instantaneous connection with the principal cities of the north and west. Already the extension of the telegraph south has brought us some twenty-four hours nearer to New York and Boston in point of time, and the work of completing the connection is said to be in rapid progress. When this result is attained we shall have a better opportunity of observing its practical effects. Doubtless it has its advantages, and its disadvantages; but which will be

found to predominate, after a fair trial of its practical operation, is yet a problem. At all events, being once introduced, its progress is inevitable; and if it prove not a blessing, it will at least attain to the eminence of the wonder of the age.

Another important feature in the progress of commerce, and of social intercourse with foreign nations, is the rapid extension of ocean steam navigation. For some years past the British mail steamers, plying between Liverpool and Boston have afforded a regular semi-monthly communication between this country and Europe, during the greater portion of the time. But new lines have recently been projected, and are now in partial operation, from England, France and the United States, which, when completed—as they are likely to be within the next twelve months—will afford a regular *semi-weekly* intercourse between the new and old world. By the time that this arrangement is consummated it is probable that the magnetic telegraph will be completed from Boston (possibly Halifax) to New Orleans; thus bringing us within ten or twelve days time of the principal markets of England—a result which a few years since could not have been dreamed of.

In our last annual report we alluded to the existence of war with Mexico; and expressed a hope that it would be brought to a speedy and honorable termination. Another year has passed, and it still lingers; and the period of its duration appears to be enveloped in as much uncertainty as ever. Our arms have been signally successful in all encounters with the enemy. Nearly all his important cities and seaports are in our possessions. But though vanquished in every conflict; and though the olive-branch of peace has been repeatedly and almost constantly tendered to him, he has thus far rejected it with a perseverance that would seem to savor more of obstinacy than of sound policy. The usual effects of a foreign war upon the general business of a country, has, however, owing to a combination of circumstances which are familiar to all, been lightly felt by us; and it is still to be hoped that a peaceful result will speedily be attained, which shall preserve and secure the honor, dignity and interest of the nation.

COTTON.

The history of this great southern staple during the past year has been marked by extraordinary vicissitudes; and the hopes of parties interested have been subject to repeated elevation and depression, according to the varying phases of the season's progress. At the time of issuing our last annual statement the question of supply was the engrossing point; and this—as is usual at so early period of the season—was involved in a maze of uncertainty. The backwardness of the plant throughout the country generally, and the destructive ravages of the caterpillar, which had just commenced, led to serious apprehensions of an important curtailment of the product; particularly in the southern valley of the Mississippi and also in south Alabama and Texas. These apprehensions rapidly gained strength as the season advanced; and it soon became evident that the hopes of the planters had been blasted to an extent which had never before occurred by a similar agency. For a considerable period many parties continued sceptical in regard to the representations of damage to the crops; but their correctness has long since been conceded; and the demonstration is established by a reference to the receipts at this port, which show a falling off of 334,069 bales, as compared with the previous year. The conviction of a large deficiency in the expected yield soon led to speculative movements, and induced many planters to place high limits upon their crops, as they forwarded them to market; under the reasonable expectation that when this fact should be

known in Europe—where the stocks were already comparatively limited—a material enhancement of prices would be the natural result. These expectations have been partially attained; and under ordinary circumstances might, perhaps, have been realized to their fullest extent. But it has happened, in the course of events, that the same cause which was most prominent among those which produced disappointment and disaster in 1845-6 has exercised a much more powerful and extended influence during the past season, viz.—a famine in Europe. It is beyond question that this has been the main obstacle to a much more considerable advance than has actually occurred in the markets abroad, for—as we have already remarked in another place—dear food and dear clothing cannot be maintained at the same time among the consuming masses of Europe; those who usually take the great bulk of the supply; and, consequently, we see that the quantity taken for consumption in Great Britain, including all descriptions, from January 1st to July 1st, of the present year, has been only 590,657 bales, against 775,509 bales during the same period in 1846; showing a decrease for the six months of 184,852 bales; or an average weekly decrease of 7,100 bales. During a considerable portion of the time, however, the ratio of decrease has been much greater; and for some weeks—say in May and June—the sales for consumption scarcely amounted to one-half the average of the previous year. A similar state of depression, and from similar causes, existed on the continent; and our home consumption, which it was expected would be materially increased, will be found to have scarcely reached the extent of last year, when it was put down at 422,597 bales. Having thus glanced at what we conceive to have been the main causes of the disappointments to which both producers and purchasers have been to some extent subjected, we now pass to a brief review of the course of our own market.

The first arrival of the new crop was on the 7th August; being seven days later than the first receipt in 1845, and fifteen days later than the first receipts in 1844. It was only part of a bale, however, (some 160 pounds,) and was evidently forced forward prematurely to gain the eclat of sending the *first bale* to market. It was, therefore, no criterion of the forwardness of the crop, as was clearly shown by the fact that up to the 1st September there were received of the new growth only 140 bales, against 6,846 bales to same period in 1845, and 5,720 in 1844. Up to the 1st September only four bales of the new crop had been sold, viz.—one (the first received) at 14, two at 9 and one at 10 cents per lb. The receipts continued very limited for several weeks, and the accounts from the interior respecting the destructive ravages of the caterpillar led to apprehensions of a very material falling off in the production of the Mississippi valley, particularly in the states of Louisiana and Mississippi, and caused prices to assume an upward movement; as a considerable portion of the receipts came in under high limits, or with orders to withhold them from market. Our quotations on the 1st October were 8½ a 10 cents per lb. for middling to fair Louisianas and Mississippis, and at this date there was a fair demand for France, Spain and the north; but our prices were too high for English orders, notwithstanding the receipt of comparatively favorable accounts from the Liverpool market. From the 1st October up to the latter part of December, the market continued very steady, at an average range of about 9 a 10½ cents for middling to fair; but at the period last mentioned more favorable accounts from England, combined with the conviction that the crop could not exceed, and would probably fall short of, two millions of bales, started some speculative operations, in addition to those for export, and suddenly elevated prices *one cent per pound*, our quotations on the 1st January being 10 a 11½ cents per lb. for middling to fair. These rates were fully maintained, and even a further slight advance

realized, when in the latter part of January the celebrated *Themis* accounts came to hand, representing the Liverpool market as being in a state of speculative excitement almost without a parallel; a condition of things which was produced by a view of their greatly reduced stock, and intelligence from this side of the Atlantic, that the crop of the United States would not exceed *two millions of bales*. Under this excitement the sales at Liverpool for the eight business days, from the 11th to the 14th December, amounted to the enormous quantity of 187,000 bales, at an advance of 1d. a 1½d. per lb. upon the quotations brought by the steamer of 4th December. This intelligence threw our market into a state of excitement which we have seldom witnessed, and its instantaneous effect was a brisk speculative inquiry; but operations could be carried to only a moderate extent, owing to the rapid appreciation of prices, and the entire withdrawal of most of the stocks in the hands of the principal holders. High hopes were entertained, and those whose predictions had been considered extravagant exulted in the apparent fulfilment of their prophecies. Our quotations at this time reached the extreme limit of the season: being for middling 11½ a 11¾, good middling 11¾ a 11¾, middling fair 12 a 12¼, fair 12¼ a 13, &c., &c.; but these figures were almost entirely nominal; and rather the asking than the selling prices; as no sales of importance were made so high. Indeed at this point the market came to a complete stand, and remained wholly without transactions for several days, when unfavorable accounts of the European crops, together with an advance in freights of ½ a ¾ of a cent per lb. produced a decline almost as rapid as the previous advance; and by the latter part of February, under a succession of discouraging accounts from Europe, prices had receded to nearly the opening rates of the season; our quotations being for middling 9½ a 9½, good middling 9½ a 9½, middling fair 10½ a 10½, &c., &c. From this point the market recovered somewhat, and presented various fluctuations—according to the tenor of the European accounts, the rates of freight and of exchange—up to the middle and latter part of June; when news of a further decline in Liverpool, and the very great reduction in the ratio of consumption, owing to the stoppage of many mills, and working short time, produced an excessive degree of depression, and prices were carried down to 9½ a 9½ cents for middling, 9½ a 9½ for good middling, 9½ a 10 for middling fair, &c., &c. This was the lowest point for Louisianas and Mississippis, after the 1st October; and since then the market has recovered materially, the range for some time past having been 10½ a 11 cents for low middling to good middling, &c. The month of June and the early part of July embraced a period of excessive depression in Tennessee and north Alabama cottons. They had met with but little attention during the season; and a large supply had accumulated, for which, during a period of several weeks, there was absolutely no demand; and factors were compelled to resort to shipments in order to reduce their stocks. Some sales were effected at 8½ a 8½ cents for round average lists; but as the stocks of Louisianas and Mississippis became reduced they began to attract more attention, and prices improved materially; there being large sales in the latter part of July and the early part of August, at 9½ a 10½ cents for round average lists. The whole stock now on sale, including all descriptions, is estimated not to exceed 5,000 bales, and the total stock, including all on ship-board, is 23,493 bales.

The total receipts at this port since 1st September last, *from all sources*, are 740,669 bales. This amount includes 33,345 bales received from Mobile and Florida; which being deducted makes what we term our *receipts proper* 707,324 bales, or a decrease of 334,069 bales as compared with last year. In this amount there are included 2345 bales received from Texas, *by sea*. That portion of the Texas crop which comes in via Red River is inextrica-

bly involved in the receipts of Louisiana. The total exports during the same period are 724,508 bales; of which 385,368 bales were shipped to Great Britain, 95,719 to France, 23,920 to other foreign parts, and 159,501 to United States ports, including 2500 to western states. The decrease, as compared with last year, is 170,952 bales to Great Britain, 63,809 to France, 29,007 to other foreign ports, and 60,581 to United States ports. The total receipts at all the ports, up to the latest dates received—as shown by our general Cotton table—are 1,758,578 bales, against 2,056,314 bales to same period last year; showing a decrease of 297,736 bales. This amount, however, it should be understood, does not represent the *total crop of the United States*.

Having thus, with as much minuteness as our limits will permit, traced the course and progress of the market in the disposal of the crop of 1846-7, it may be permitted to us to devote a brief pace to the consideration of the probable prospects for the one now advancing to maturity. The experience of the past season—and, indeed, of many others which have preceded it—should render us cautious of too sanguine expectations; as causes of disappointment may arise to baffle the estimates of the most astute calculator. With this caution in view it behooves us to be—as we have ever been on similar occasions—guarded in our remarks upon this branch of our subject. Nevertheless we think we may safely venture to assert that the present prospects appear encouraging for fair remunerating prices, even with a full yield. The main points which afford this encouragement are the flattering promise of abundant harvests in Europe, and the greatly reduced stocks of cotton in the principal European markets. For instance; the total stock in Great Britain on the 1st ultimo was only 511,000 bales, against 950,850 bales at same date last year, and about 1,200,000 bales in 1845. The total stock in France on the 1st July last was 81,700 bales, against 90,100 bales at same date last year; showing no very important deficiency. For other parts of the continent we have no data at hand. The consumption of cotton in Great Britain, under heavy stocks and favorable harvests, reached in the year 1845, 1,574,303 bales, and in 1846, 1,585,696 bales. In the first six months of the present year, the quantity taken for consumption has been 699,334 bales, against 925,511 bales during same period last year; showing a decrease of 226,177 bales. The average weekly consumption of cotton in Great Britain, during the first six months of the present and the two past years, was, in 1845, 32,821 bales; 1846, 30,512; 1847, 23,063. The greatest ratio ever reached was in the first six months of 1845; and it will be seen that the average of the past six months shows a falling off of nearly 10,000 bales per week. It will probably require some time, under the most favorable circumstances that are likely to ensue, to recover this large deficiency in the consumption. But if the purchasing means of the consuming masses should be augmented by cheap food, there can hardly be a doubt that a marked increase upon the present ratio will soon manifest itself. With regard to the extent and character of the food crops of Europe, however, which the experience of the past year has demonstrated to be a point of commanding importance, in its bearing upon the cotton interest, it should be borne in mind that up to this period last year—with the exception of some complaint of the potato disease in Ireland—the accounts respecting the harvests were comparatively favorable. Indeed—as has been the case this season—the steamer of the 4th August brought advices of great depression in the corn markets of England; and this depression—to quote a leading commercial circular of that date—was “under the influence of fine weather for the harvest, which is progressing favorably.” Prices of all kinds of breadstuffs were even lower than the quotations just received by the *Cambria*; and it

was not until about the middle of October that the alarm of famine reached our shores. We devoutly trust, however, that the present season will escape a repetition of the dread scenes of misery and death which have marked the progress of the past year; and that the unusually flattering promise of abundant harvests throughout Europe will be early and fully realized.

Before closing our remarks under this head it may be expected of us to make some allusion to the probable supply for the coming season. This we have ever deemed an extremely delicate matter to touch upon, as it involves interests of vast importance, and is wrapt in so much uncertainty at this early period of the season that an indulgence in any thing like a positive estimate would be an unpardonable presumption. Nevertheless we may be permitted to speak of present prospects, so far as regards the region of country tributary to this market; and these, we are happy to state, would seem to indicate a more favorable result than was attained last year. It is true that the crop is late, generally; and in many sections complaint is made of damage by rust, and the ravages of the boll-worm, which are consequences of the excessive rains in June and July, and to which we have frequently alluded in our usual market reports. But within the past few weeks the weather (with the exception of the last few days, when rains have again been rather frequent,) has been highly auspicious for the maturing of the crops; and should a long and favorable picking season ensue it may reasonably be expected that something like an average yield may be secured; though it is confidently asserted that, what with the backwardness of the plant, the damage by rust, boll-worm, &c., under no future circumstances can a *full crop* be made; and even the present comparatively favorable prospects would be blighted to a serious extent by an early frost. In addition to this, and as a further modification of the comparatively encouraging prospects alluded to above, we are sorry to remark that within the last day or two well authenticated accounts have been received from the interior, declaring in positive terms that the real caterpillar or army worm—the same species that caused such destruction to the crops last year—has made its appearance in several sections of Louisiana and Mississippi, producing much alarm amongst the planters. It is hoped, however, that the lateness of its appearance—which is not so early by nearly one month as last year—will enable the plant to make such progress, before the worms, by successive reproductions, become very numerous, as will protect the planters from the sweeping destruction which blighted their hopes last year. It cannot be disguised, however, that much apprehension prevails; and the progress of the next few weeks will be watched with intense interest.

The first two bales of the *new crop* came to hand on the 9th August; being two days later than the first receipt last year; and the total receipts of the new growth up to this date are 1,089 bales against 140 bales to same date last year, 6,846 in 1845, and 5,720 in 1844. The quality of that received thus far promises well for the character of the crop; being generally of good staple, and mostly ranging from middling fair to good fair. Since the first two or three bales, which, as usual brought fancy prices, some 350 bales have been sold at 11½ a 12½ cents per lb. The sales of old crop during the past few days have been at 10½ a 11 cents for middling to good middling; but since the reports of the appearance of the caterpillar the few lots on hand are held higher, and the market is unsettled.

TOBACCO.

The course of our tobacco market during the past season, although it has varied greatly from the general anticipation, has been unmarked by any im-

portant fluctuations, and does not, therefore, require a very extended notice. At the commencement of the year the stock in port (inclusive of all on ship-board not cleared,) amounted to 17,924 hhds., and the quantity on sale was some 3,000 hhds.; mostly of an undesirable character, and in a great measure rejections from lots that had been culled over. We then quoted inferior 1½ a 2, common 2½ a 2¾, fair 3½ a 3¾, fine 4 a 4½, choice 4½ a 5½, segar leaf 2 a 10 cents per lb. Throughout the fall the market continued dull; but as the receipts were almost entirely of strips, and of parcels to be forwarded abroad, the quantity sampled was trifling, and the stock above mentioned was nearly all absorbed by small orders by the 1st December, at which time *two hhds. of the new crop* reached here, being some five weeks later than the first hogshead of the previous year. At this period, and for some time after, the impression was general that the crop would prove to be fully as large as the preceding one; and the belief was current, both here and in the country, that prices (of the common and inferior grades in particular,) would rule lower than they had done for many previous years. Owing in some measure to this belief (which had the effect of rendering the planters careless about preparing their crops for market,) and partly, also, to a continuance of unfavorable weather for prizing, as well as to a want of water at times in the rivers of the interior, our receipts for several months were on an unusually small scale. Towards the close of March a demand sprung up; but the limited extent of the stock precluded any transactions of magnitude, and the deficiency in the receipts on the 31st March was 6,132 hogsheads, as compared with the same date in 1846. On the 30th April the deficiency had increased to 14,831 hhds., and it was not until the latter part of May that the arrivals became sufficiently large to admit of important transactions; and even then the demand was so active as to prevent any accumulation of stock. In June those who had previously been most sceptical in regard to a deficiency in the crop began to be impressed with the great falling off in the receipts, and since that time the inquiry has been brisk, at gradually advancing prices; our present quotations being for lugs, inferior to good, 2 a 2½; leaf, common, 3 a 3½, fair 4 a 4½, fine 5 a 5½, choice 6 a 7; segar leaf, fillers and wrappers, 2½ a 12 cents per lb. The advance in prices—as will be seen by a comparison of quotations—has been greatest on the finer qualities, which have been in most request since the opening of the season. A glance at our tables will show the total receipts since 1st September last to have been 55,538 hhds., against 72,896 hhds. during the previous year; showing a decrease of 17,308 hhds.; but the actual deficiency is even greater than these figures indicate; as the hogsheads generally have averaged considerably (probably not far from ten per cent.) less in weight than usual. Of the total receipts, as above stated, 11,000 hogsheads were strips, and the quantity of leaf inspected at the state warehouses, from 1st November to this date, under the new law, is 39,235 hhds. For particulars of exports, stock on hand, &c., we beg reference to our tables.

As regards the quality of the past crop, it did not by any means equal the expectations that were formed of it early in the season. On the Ohio river, and in some sections of Tennessee, it was unusually good; but in most other parts of the country it was generally rather common, and in some regions very poor.

We would again call the attention of our planting friends to the decided and increasing preference shown in this market to tobaccos of a *marked character*; which go off so much more readily than those of a nondescript kind. They will, we are persuaded, find it greatly to their interest so to cure their tobacco as to make it *dark and rich*, or *light and leafy*.

With regard to the growing crop, it would be futile at this early period of

the season to attempt to form an opinion as to either its extent or quality; but we believe it is admitted on all hands that there has been less planted this season than for many years past. The exceedingly gloomy representations that were made, with regard to the future prospects for the article, during the past fall and winter, induced very many planters, who had for years devoted their lands and labor to its cultivation, to turn their attention, either in whole or in part, to other descriptions of produce. Some, in the more southern sections of the tobacco growing region, have cultivated cotton; and others, farther north, have given the preference to corn.

EXCHANGE.

Notwithstanding the deficiency in the exports of cotton, and of some other leading products, the increase of prices, and the immense exports of bread-stuffs have produced an unusually large amount of foreign exchange during the past season. Under these circumstances the rates have ranged low generally, and at some periods the market has suffered excessive depression from various disturbing causes, which our limited space will not permit to particularise. We must therefore content ourselves with stating the extreme rates of the season, which have been for sterling 8½ a 9 and par a 2½ per cent. premium; the highest in the early part of October, and the lowest in the early part of April. The extremes for francs have been 5f 30 a 5f 35, and 5f 55 a 5f 60, and occurred at the same periods as above. Sixty day bills on New York have fluctuated between 1½ a 3 per cent. discount; the former in October and the latter in April. Extremes of sight checks on the north have been ¼ per cent. premium in October to ¾ discount in April. The amount of specie received since 1st September has been nearly \$7,000,000; about two-thirds of which has been on government account, towards defraying the expenses of the Mexican war. The receipts for commercial purposes were, in 1846, \$2,000,000, in 1845 \$3,000,000, and in 1844 \$8,000,000. The amount of specie on hand in the banks of this city on the 24th July, according to the usual statement made up by the board of currency, was \$6,048,569; and it may be worthy of remark that for three years past the July statements have shown an unimportant variation from this amount.

MINES AND STEAM POWER OF FRANCE.

The *Journal des Debats* has published two important articles on the mineral resources and steam power of France—supposed from the pen of M. Michel Chevalier—some of the chief details of which are here extracted. The statistics are founded on the year 1844. France, it is said, in the order of importance in coal mining wealth, takes the third rank; that is, comes after England and Belgium: in iron she occupies the second place. The absolute and relative consumption of iron and coal in those states in which it is officially known, is thus stated:

Countries.	Coal.	Iron.
England, . . .	23,500,000 tons.	1,200,000 tons.
France, . . .	5,400,000 "	480,000 "
Belgium, . . .	3,200,000 "	120,000 "
Zollverein, . . .	3,000,000 "	300,000 "

These figures give the consumption per head, in—

England, at	870 kilograme.	40 75 kilograme.
Belgium,	800 “	30 — “
France,	154 “	18 71 “
Zollverein,	107 “	10 71 “

The kilograme is equal to 2 lbs. 8 oz. 3 dwts. 6 grs. troy.

In 1844, France reckoned 425 mines of coal, covering about 450,000 hectares; 252 were in work, and 173 remained still in inactivity. The working of the 252 mines, the greater part of which were distributed among twelve principal basins, employed in 1844, 29,554 workmen, and produced 3,055,000 metrical tons of coal, 580,000 of anthracite, and 148,000 of lignite; total of combustible material, 3,783,000 tons, or in kilogrammes, 3,783,000,000. This was about the seventh of the production of England, and a little less than the total Belgian extraction; for, it must be noted, that, in addition to the quantity consumed at home, as before stated, Belgium exported in that year, 1,300,000 tons. Since 1839, the number of the mines worked in France had increased only as 6 to 8; but the extraction advanced from 28 to 30 per cent. Production, however, was still so much in arrear of consumption, as to require from Belgium and England 1,756,000 tons more. It is as yesterday only, so to say, that steam has been employed as a moving power, and yet it already furnishes the globe with a force estimated at more than 10,000,000 of horses, or 60,000,000 of men. The actual effective force of steam engines in France is thus stated: For purposes of industry, the number is 3,645, serving 4,214 establishments and manufactories, and representing 45,781 steam horse power, or, at three draught horses per steam horse, 137,340 draught horses. Since 1839, this mechanical material had increased in the proportion of 45 to 50 per cent. The steam engines employed in navigation, form a total of 382 vessels, with a collective force of 12,789 steam horses. The increase under this special head, in six years, has only been from 25 to 30 per cent. The number of passengers transported in 1844, by steam vessels, was 3,287,000, and of merchandise 1,082,000 tons. The number of the first, compared with 1843, was about stationary, and of the latter, in decrease. The competition of railways would account for the fact. The locomotive machines gave, in 1844, a total of 292; serving sixteen lines of railway. Of this number, 168 were of French workmanship, and 124 of foreign origin. This was an increase of 46 machines upon 1843, and of 88 upon 1842. In total, France possessed, in 1844, 4,319 steam engines of all sorts, of the collective steam horse force of 62,950, or of 188,847 draught horses, or, at the rate of about six men to one draught horse, of 1,321,929 men. Such is the industrial army which steam now furnishes to France, and, whatever may be written against machinery, we do not find that the employment of this mechanical power has yet left the people bereft of work. Since the last four or five years, the number of steam machines augments rapidly in France, and yet, it is necessary to say, it represents scarcely one-twelfth of the mechanical power employed in England.—*London Miners' Journal*.

PUBLIC FAITH.—While the observance of that good faith, which is the basis of public credit, is recommended by the strongest inducements of political expediency, it is enforced by considerations of still greater authority. There are arguments for it which rest on the immutable principles of moral obligation. And in proportion as the mind is disposed to contemplate, in the order of Providence, an intimate connexion between public virtue and public happiness, will be its repugnancy to a violation of those principles.—*Hamilton*.

GREAT BRITAIN.

FINANCES, COLONIES, AND CIVIL EXPENDITURES OF GREAT BRITAIN.

The whole expense of the civil government of the united kingdom, inclusive of the civil list and judicial establishments, is upwards of three millions. This was the return for 1843, and it is not less now; for the economical reforms of both whig and tory ministries had spent their force long previously to this period. We subjoin the items from parliamentary paper, No. 494, session, 1843:

CIVIL GOVERNMENT.

Civil List :—Privy purse, salaries of the queen's and tradesmen's bills,.....	£371,800
Allowances to the several branches of the royal family and to the king of the Belgians,.....	318,000
Lord lieutenant of Ireland's establishment,.....	30,554
Salaries and expenses of the houses of parliament (including printing,).....	123,847
Civil departments, including superannuation allowances,.....	524,773
Other annuities, pensions and superannuation allowances on the consolidated fund and on the gross revenue,.....	312,641
Pensions, civil list,.....	5,130
Courts of justice,.....	551,540
Police and criminal prosecutions,.....	595,945
Correction,.....	493,117
Total, civil government,.....	1,666,854
Total, justice,.....	1,640,602
Grand total,.....	£3,307,456

Colonial and foreign possessions have had their origin in various causes—political, moral, and economical. Sometimes ambition prompted a state to seek more extended rule, or, it might be, impelled in the same course in the vindication of national wrongs, and the necessity of obtaining better security for its people, its commerce, and independence. Frequently external acquisitions have had their source in domestic strife and anarchy, in religious dissensions and persecution, or in the wants and natural desires of mankind to multiply their means of comfort and enjoyment. In the numerous colonies and vast territorial dependencies of Great Britain, all these different modes of acquirement have been in active operation; but the last, which originate in the exigencies and laudable efforts of a nation to improve its condition, form undoubtedly the most allowable and defensible pretexts for an extension of external dominion.

A community is overpeopled; it is oppressed by superfluous wealth and industry; or it may be distracted by irreconcilable internal divisions: what resort, under these disturbing influences, is more likely to afford relief, than to *plant out*—for the unhappy to seek new and quieter homes, and the unemployed and super-opulent new fields for the exercise of their industry and the productive investment of capital?

Colonization on these principles has the same foundation as the domestic usages of civil life. It is only the state following the example of individuals in their private relations. A family is large; it is inconvenienced by the number, adolescence, or restlessness of its members. They marry, or seek new homes; that is *domestic colonization*, by which the paternal hearth is relieved, and all who belonged to it, it is likely, are made happier. National colonization has similar beneficial results; it tends to the relief of the mother country, and to the creation and increase of independent states, as the mar-

riages and severance of the members of a family do of individuals. Both originate in the laws and exigencies of nature; and, under ordinary circumstances, both tend in like manner to the advancement of human felicity.

The United States of North America have practically exemplified all that is here sought to be explained. Through all the vicissitudes of their history, whether free or dependent, they have been a source of benefit to England. By their first settlement, the parent state was relieved; they were an outlet for its political and religious discontents, and opened a new and boundless field of industrial enterprise. The rupture of their allegiance neither destroyed nor impaired the salutary relations previously subsisting, but augmented and accelerated their development. The wrong, if any was attempted on either side—for Britain had excusable though mistaken inducements for seeking to perpetuate her trans-atlantic supremacy—was not in the resistance of the Anglo-Americans, but in the coercive efforts of England to prolong her dominion beyond its natural term of duration. The error was a parental one; and to return to our preceding illustration, is like that of parents who would keep their children in perpetual pupillage, and inhibit them from separate location and the setting up for themselves in the world.

We still continue to reap the fruits of our colonial enterprise two centuries past. American independence, we repeat, has been no drawback on this country. She is still our best friend and customer, and more than any other still contributes to our manufacturing and commercial prosperity. Suppose America had never been colonized, and helped forward by British settlers; suppose the development of her natural resources had been left to the red Indian—to merely her own aboriginal agency—what beneficial relations is it likely would have now subsisted between her and England? Would a population have arisen to take annually from seven to nine millions of British produce and manufactures? Oh! no; she would in all likelihood have remained as destitute and as unprofitable a connexion as the Pampas or Oregon now is. Suppose a less extreme case, that she had not been left in her infant efforts wholly unaided by European arts, capital, and civilization, but that France or Holland had taken the start of us in her reclamation and settlement, we should, in this case, have suffered serious detriment. We should have lost all the advantages of first occupation and first impressions; of planting the English language, English habits, tastes, and wants, among a vast and unknown population, by which the dependence of the western world has been far more beneficially, and, it is likely, more permanently, guaranteed, than it ever could have been either by British tax-collectors or British grenadiers.

Besides establishing a present lien and future preference in the development of new countries, our first occupation of them conferred other national benefits. Our colonial policy may not have been the best; it may have partaken largely of the narrow spirit of the age; but it has always been more liberal than that of any other European state. At no period of history did we ever go openly to war against the natural fertility of the soil, to stint Europe in the supply of colonial products. But this was done by the Dutch, who actually rooted up the spice-trees of the Philippine Islands, lest Europe should be too abundantly supplied, and at too cheap a rate, with mace, nutmegs, and cloves. The policy of Spain was still more execrable. South America, in her hands, was no better than a vast prison-house: it was hermetically sealed against all the rest of Europe—sealed, not only against European commodities, but European ideas. Strangers were all but excluded, and it was with much mistrust and difficulty that travellers could obtain an insight into her code of prison discipline. Her tyranny was twofold; extending over the minds of the people, as well as the natural capabilities of

the country. The colonial policy of France hardly offers a brighter page. Indeed, France has hardly yet mastered the A B C of commercial legislation, either in her domestic or external policy. But these have been the chief colonizing states, next to ourselves. And what, we ask, would have been the probable consequences on the weal and progress of England, or even on the colonies themselves, had they been allowed to anticipate us in the possession of our colonial empire? Had Jamaica and Barbadoes—the Carolinas and Massachusetts—been first theirs, instead of ours, and had the spirit which revoked the edict of Nantes, and established the inquisition, been allowed to extend its withering influence over their future destinies, in place of the spirit of Queen Elizabeth and Oliver Cromwell, would the colonies have been what they are, or would England have been what she is—so rich and powerful—so supreme in commerce and industry; or, far above all these, would she have commanded, to the same extent, the means of national happiness?

To these questions it is hardly likely there can be great discrepancies in the answers. But we will throw aside their political bearings; we will not say a word on the degree which British colonies have contributed to the general opulence, maritime strength, and greatness of the empire; nor on the obvious fact that a great empire, governed on moderate and enlightened principles, is, wherever its sway extends, a great blessing to the world. We leave all these fruitful themes to orators, poets, and historians, and shall only dwell on the plain, homely truth, have not colonies contributed immensely to the general advancement of the united kingdom? Would its population have had the same command over the comforts and enjoyments of life without them? Would there have been the same appliances for wholesome, temperate, and luxurious existence, had the spice islands, and the coffee, sugar, rice, and cotton plantations been left to the foreigner? Would Dutch selfishness, Spanish bigotry, or French illiberality, to the same extent have multiplied their products, and afforded the means, in the same profusion, for heightening the enjoyment of every meal? What these states have done for themselves, as well as what they have done for the foreign possessions dependent upon them, in the way of colonial government, trade, and industry, appear to afford sufficient answers to these inquiries.

We have dwelt upon this subject, because a disposition is sometimes evinced to undervalue the importance of colonies, or adopt erroneous views respecting them. They are, in truth, an inseparable adjunct to every great empire. Every prosperous country has a tendency to become redundantly rich and redundantly peopled. For these, new outlets must be found; new lands must be discovered or reclaimed, and the foundation laid of new communities. Colonization, for these ends, offers the natural remedies for natural disorders; and the nation that applies them cannot thereby be either weakened or impoverished. The errors of England, when she erred, have not been in this direction, but in another—in colonizing, as old Rome did, for plunder and dominion. But her colonial wars have not been so frequent as sometimes represented. They originated less in outlying causes, than in causes nearer home—in her own bosom—in the propensity to fight on slight occasions. The bellicose passion was there, and the means to indulge it, both pecuniary and physical, abundant; and when this is the case, whether among nations or individuals, pretexts for quarrels will never be wanting—trifles will serve. If there be no colonies to dispute about—no furs or cat-skins, Canadian boundary, Dutch barrier, Spanish succession, Montpensier marriage, to embroil communities—there is always at hand the bustling vanity, restless ambition, or vain-gloriousness of a Cardinal Alberoni, Baron Golf, M. Thiers, or Viscount Palmerston.

In her colonial system England has other sins than war to answer for, but they are more venial. They have been an excess of parental fondness. She loved her offspring too well, nursed them too much, and clung to them too long. But her greatest failings have been redeemed by the adoption of the principle of free trade. The cordial that is good for the parent is not likely to be baneful to the children. Colonial emancipation—the abolition of dependence and protection—of differential duties and drawbacks—and even of the famous navigation laws—all appear only so many practical corollaries of entire commercial freedom, that remain to be worked out as time and opportunity will serve.

COLONIAL EXPENDITURE AND COMMERCE.

The preceding section has been general and retrospective. It was an indispensable preliminary to a just estimate of the colonial system; but the rest will be more practical. Having explained the national exigencies in which foreign possessions originate, and the public benefits resulting from them, we shall proceed to examine the present value of English colonies, the commercial benefits of which they are productive, and the price annually paid by the people of England for the realization of these benefits.

The number of British colonies is forty-four. Of these, eleven, including Gibraltar, Malta, the Cape of Good Hope, Hong Kong, and places of that description, are military and maritime stations, kept up either to facilitate commerce, or for the maintenance of the general strength and security of the empire. The plantations and settlements, consisting principally of the West India Islands and the British North American provinces, are thirty-two in number, valuable chiefly for their tropical or other products, for the purposes of commerce and consumption. The two remaining colonies of New South Wales and Van Dieman's Land, are penal settlements, for the reception of criminals.

The first class of colonies are protective, and entail the chief part of the expense incurred by England in the support of her colonial system. They seem unnecessarily numerous. For example, what use is there in the retention of the Ionian Islands, with Malta and Gibraltar in our hands? Mauritius and the Cape of Good Hope have been chiefly of use to the East India Company, which ought to have defrayed the charges of their military occupation. The settlements of Sierra Leone, and on the west coast of Africa, have been a constant drain on British life and treasure, and had better been long since abandoned, having wholly failed in the attainment of the objects intended. Although the Canadas have been consolidated under one government, and are apparently tranquil, it is doubtful whether it would not have been more favorable to the interests of the mother country, had they been successful in their recent efforts at independence. England would have lost nothing, and saved a great deal. They would have continued as wide a field for British enterprise as before, and probably as accessible. Judging from the antecedent example of the United States, neither our manufactures, commerce, nor shipping would have suffered diminution by the abandonment of them to self-government. The sums they have cost England have been immense. Almost twenty years since, Sir H. Parnell estimated the total sum expended on the Canadas at fifty or sixty millions; and we have been laying out the best part of a million annually upon them ever since.

But it will be convenient first to introduce a general statement of expenditure on colonies of every description. The subjoined return is the latest presented to parliament, and exhibits the *net* military, naval, and civil expenditure; and also the total net annual expenditure incurred by Great Britain, in the maintenance of her outlying provinces.

Colonial Expenditure; specifying the net Military, Naval, and Civil Expenditure, in the British Colonies; and the Total Expenditure incurred by Great Britain, in the year 1843-4.

<i>Military Stations.</i>	<i>Military.</i>	<i>Naval.</i>	<i>Civil.</i>	<i>Total Cost.</i>
Gibraltar.....	£219,465	£2,071	£4,482	£226,019
Malta.....	106,659	34,164		140,702
Cape of Good Hope.....	294,781	2,279	3,505	300,566
Mauritius.....	87,031		5,271	92,302
Bermuda.....	79,806	16,368	35,282	131,447
Falkland Islands.....	964		3,686	4,650
Ascension.....		6,114		6,114
Heligoland.....			1,095	1,095
Ionian Islands.....	131,227		1,613	132,840
St. Helena.....	28,000		11,143	39,143
Hong Kong.....	4,997	78	3,293	8,370
<i>Settlements.</i>				
Jamaica, Bahamas, Honduras.....	204,636	5,174	21,602	231,413
Barbadoes, Grenada, St. Vincent, Tobago, Antigua, Montserrat, St. Christopher's, Nevis, Anguilla, Virgin Islands, Dominica, St. Lucia, Trinidad, British Guiana.....	308,750	810	52,860	362,421
Lower Canada, Upper Canada.....	525,226	708	16,222	542,157
Nova Scotia, New Brunswick, Prince Edwd's Island, Newfoundland.....	173,030	3,630	17,873	194,534
Sierra Leone, Gambia, Cape Coast.....	38,163	169	13,089	51,421
Ceylon.....	109,282	2,446	424	112,152
Western Australia.....	3,461		1,152	4,614
South Australia.....	1,288		10,179	11,467
North Australia.....			1,766	1,766
New Zealand.....	2,198		16,270	18,468
<i>Penal Settlements.</i>				
New South Wales, Van Dieman's Land.....	189,005		320,000	509,033
General Charges.....	48,941			48,941
Total Sterling £.....	£2,566,919	£74,006	£540,842	£3,171,646

It thus appears that the net annual cost of the colonies, to Great Britain, is £3,171,646. For whose benefit is this vast sum annually expended? There are valuable offices and sinecures in the colonies, we know, and shall soon exhibit; lucrative governorships, bishoprics, secretaryships, registrarships, agencies, and what not; but these do not profit the people of England. What return do they receive for the squandering, on such objects, the produce of the window-duties, sugar, tea, soap, and malt duties? They may be a convenient refuge for the younger branches of the aristocracy, who have been despoiled of their patrimony by entail and primogeniture laws; but what national benefits accrue from them?

There are only four, or at most five ways, that colonies can be advantageous to the mother country. 1. As a reproductive outlet to surplus industry and capital. 2. In furnishing a military station for mercantile and political protection. 3. In supplying the parent state with a revenue. 4. In affording commercial advantages. 5. By the remission of an absentee-rental to the proprietors of colonial lands and plantations.

To the first of these uses we have already done ample justice, and conceded their past and present usefulness; but our aristocratic government has never evinced any great zeal in this direction. It held out no immediate prospect of advantage to themselves—only the productive classes; and they have always nicely calculated the expense per head, in any national scheme of colonization, and begrudged and refused the outlay. Next, as to aiding us with a military force; so far from being auxiliary, they have always been a great drain upon our resources, particularly in war, when they occupy a large portion of the army and fleet in their defence. England, during peace, might almost dispense with a standing army; but in the colonies and Ireland the demand for the military is seldom interrupted, nor hardly diminished; and from these two sources only arise nearly one-half of the expenditure on the national forces. As to colonial revenue, that is something worse than *nil*; for the colonies, as shown in the above returns, draw from the mother country, yearly, upwards of three millions. There remain, then, only commercial advantages, and the absentee-rental, to keep England in good humor with her numerous and not a little burdensome family. Upon each of these we shall make a pause.

Commerce is mutually beneficial, and a fair source of gain; and we shall endeavor to ascertain its value with the colonies, and the proportion it bears to that with foreign countries. It is a question of accounts, and can only be settled by figures.

In the last returns to parliament, we find that the declared or actual value of the British and Irish produce and manufactures, exported from the united kingdom to all parts of the world, in the year 1845, amounted to £60,111,082. Of this export of commodities, £49,897,518 was the proportion exported to foreign countries, and £10,213,564 to British colonies. We subjoin the names of the foreign countries, as well as the colonies, to which these exports were respectively made, and the quantity exported to each.

Exports to Foreign Countries.

Russia,	£2,153,491
Sweden,	123,730
Norway,	163,512
Denmark,	258,558
Prussia,	577,999
Germany,	6,517,796
Holland,	3,139,035
Belgium,	1,479,058
France,	2,791,238
Portugal, Proper,	980,389
" Azores,	50,938
" Madeira,	27,507
Spain and Balearic Islands,	676,636
" Canaries,	42,272
Italy and Italian Islands,	2,601,911
Morea and Greek Islands,	35,577
Turkey,	2,211,278
Syria and Palestine,	631,631
Egypt,	291,850
Tripoli, Tunis, Algiers, and Morocco,	30,360
Ports of the Red Sea,	1,500
Cape de Verd Islands,	1,257
Bourbon,	250
Arabia,	16,067

East India Company's Territories and Ceylon,	£6,703,778
Sumatra, Java, and Islands in the Indian Seas,	515,473
Philippine Islands,	115,515
China,	2,394,827
Hayti,	215,072
Cuba and Foreign West Indies,	1,249,015
United States of America,	7,142,839
Texas,	4,824
Mexico,	347,130
New Grenada, Venezuela, and Escudador,	390,149
Foreign settlements on the north-west coast of America,	1,077
Brazil,	2,493,306
Rio de la Plata,	592,279
Chili,	1,079,615
Peru and Bolivia,	878,708
Guernsey, Jersey, Man, &c.	379,071
	<hr/>
	£49,897,518

Exports to British Colonies.

Gibraltar,	£768,928
Malta,	189,995
Ionian Islands,	209,612
Western Africa,	532,028
Cape of Good Hope,	648,749
St. Helena and Ascension Islands,	29,117
Mauritius,	345,059
Australian settlements,	1,201,076
South Sea Islands,	43,045
British North America,	3,555,954
British West Indies,	2,789,196
Falkland Islands,	814
	<hr/>
	£10,213,564

Governors, Bishops, Secretaries, and other Officers, in the Canadas, &c., whose incomes in one year exceeded £1,000.

Elgin, Earl of, Governor-general,	£7,000
Mountain, Rev. G. J., Bishop of Montreal,	1,000
Archdeacon of Quebec,	500
Rector of Quebec,	400
Allowance for house-rent,	90
These stipends to the colonial pluralist paid by the mother country.	
Signey, M. J., Roman Catholic Bishop of Quebec,	1,000
Do. allowance for rent of palace,	1,000
Half paid by parliamentary grant, half from colonial funds,	2,000
Stuart, Sir J., chief justice, Lower Canada,	1,500
Robinson, J. B., ditto Upper Canada,	1,500
Jameson, R. S., Vice-chancellor,	1,125
Smith, James, Attorney-general, Lower Canada,	1,500
Member of executive council,	100
Draper, W. H., Attorney-general, Upper Canada,	1,080
Member of executive council,	100
Taschereau, J. A., Solicitor-general, Lower Canada,	1,000
Member of executive council,	100

Rawson, R. W., Chief Secretary,	£1,500
Harrison, S. B., Secretary of the Province, west,	1,000
Member of executive council,	100
Daly, Dominick, Secretary of the Province, east,	1,000
Member of executive council,	100
Dunn, John Hervey, Receiver-general,	1,200
Member of executive council,	100
Hinks, Francis, Inspector general,	1,000
Member of executive council,	100
Sullivan, R. B., President, executive council,	1,000
Member of executive council,	100
Harvey, Sir John, Lieut. Gov. of Nova Scotia,	3,500
Inglis, J., Bishop of Nova Scotia,	2,000
Colebrooke, Sir W. M. G., Lieut.-gov. New Brunswick,	3,000
Lieutenant-colonel Royal Artillery,	330
Chipman, Ward, Chief Justice, New Brunswick,	1,199
Odell, W. F., Colonial Secretary, do.	1,738
Baillie, T., Surveyor-general, do.	1,072
Huntley, Sir H. V., Lieut.-gov. Prince Edward's Island,	1,060
Bruce, Hon. W. A., Governor of Newfoundland,	3,000
Norton, I., Chief Justice, "	1,200
Reid, Lieut.-col., Governor of Bermuda,	2,726
Lieut.-col. Royal engineers, "	293
Higginson, J. M., Governor of Leeward Islands,	3,203
Davies, Rev. G., Bishop of Antigua,	2,000
D'Urban, Lieut.-general, sen., B. Governor of the Windward Islands, St. Lucia,	4,000
Parry, Rev. T., Bishop of Barbadoes,	2,500
Clarke, Sir R. B., Chief Justice, Barbadoes,	2,088
Mathew, Sir F., G. B., Governor of Bahama,	2,244

THE MISSISSIPPI VALLEY.

Receipts of the principal articles from the interior, at New Orleans, during the year ending 31st August, 1847, with their estimated average and total value.

<i>Articles.</i>	<i>Quantity.</i>	<i>Average.</i>	<i>Value.</i>
Apples.....barrels	39,612	\$ 3 00	\$ 118,836
Bacon, assorted.....hhds. and casks	28,607	60 00	1,716,420
Bacon, assorted.....boxes	8,325	30 00	249,750
Bacon hams,.....hhds. and tierces	14,518	65 00	943,670
Bacon, in bulk.....pounds	425,163	6	25,509
Bagging.....pieces	60,982	10 50	640,311
Bale rope.....coils	56,201	6 00	337,206
Beans.....barrels	24,536	4 00	98,144
Butter.....kegs and firkins	51,384	5 00	256,920
Butter.....barrels	872	20 00	17,440
Beeswax....."	1,109	40 00	44,360
Beef....."	32,738	10 00	327,380
Beef....."	21,230	16 00	339,680
Beef, dried.....pounds	49,000	7	3,430
Buffalo robes.....packs	55	60 00	3,300

<i>Articles.</i>	<i>Quantity.</i>	<i>Average.</i>	<i>Value.</i>
Cotton.....bales	740,669	\$ 44 00	\$32,589,436
Corn meal.....barrels	88,159	3 50	308,505
Corn, in ear..... "	619,576	1 10	681,533
Corn, shelled.....sacks	2,386,510	2 00	4,773,020
Cheese.....boxes	57,429	3 50	201,001
Candles..... "	8,496	3 50	29,736
Cider.....barrels	477	3 00	1,431
Coal, western..... "	356,500	75	267,375
Dried apples and peaches..... "	8,770	2 50	21,925
Feathers.....bags	3,498	25 00	87,450
Flaxseed.....tierces	962	9 00	8,658
Flour.....barrels	1,617,675	5 50	8,897,213
Furs.....hhds. bundles and boxes	328		600,000
Hemp.....bundles	60,238	15 00	903,570
Hides.....	98,342	1 25	122,927
Hay.....bundles	95,231	3 00	285,693
Iron, pig.....tons	1,151	30 00	34,530
Lard.....hhds	143	80 00	11,440
Lard.....barrels and tierces	117,077	23 00	2,692,771
Lard.....kegs	275,076	4 00	1,100,304
Leather.....bundles	3,716	20 00	74,320
Lime, western.....barrels	5,994	1 00	5,994
Lead.....pigs	650,129	2 75	1,787,854
Lead, bar.....kegs and boxes	1,291	15 00	19,365
Molasses, (estimated crop).....gls.	6,000,000	24	1,440,000
Oats.....barrels and sacks	588,337	90	529,503
Onions.....barrels	7,185	2 00	14,370
Oil, linseed..... "	3,637	20 00	72,740
Oil, castor..... "	1,439	20 00	28,780
Oil, lard..... "	2,573	22 00	56,936
Peach brandy..... "	72	16 00	1,152
Potatoes..... "	142,888	2 00	285,776
Pork..... "	302,170	12 00	3,626,040
Pork.....hhds.	9,452	40 00	378,080
Pork, in bulk.....pounds	8,450,700	6	507,042
Porter and ale.....barrels	1,363	7 50	10,222
Packing yarn.....reels	2,193	5 00	10,965
Skins, Deer.....packs	1,784	20 00	35,680
Skins, Bear..... "	71	15 00	1,065
Shot.....kegs	3,992	18 00	71,856
Soap.....boxes	4,361	2 60	11,338
Staves.....M.	2,000	25 00	50,000
Sugar, (estimated crop).....hhds.	140,000	70 00	9,800,000
Spanish moss.....bales	5,990	4 00	23,960
Tallow.....barrels	6,658	20 00	133,160
Tobacco, leaf.....hhds.	44,588	55 00	2,452,340
Tobacco, strips..... "	11,000	100 00	1,100,000
Tobacco, chewing.....kegs and boxes	3,930	12 00	49,125
Tobacco.....bales	1,001	3 00	3,003
Twine.....bundles and boxes	1,334	7 00	9,338
Vinegar.....barrels	1,059	4 00	4,236

Articles.	Quantity.	Average.	Value.
Whiskey..... barrels	126,553	\$ 10 00	\$ 1,265,530
Window glass..... boxes	3,805	4 00	15,220
Wheat..... barrels and sacks	833,649	2 30	1,917,392
Other various articles—estimated at			5,500,000
Total value 1846-47			\$ 90,033,256
Total in 1845-46			77,193,464
Total in 1844-45			57,199,122
Total in 1843-44			60,094,716

THE CITY OF MEXICO.

From Murray's Encyclopedia of Geography.

The state of Mexico comprises the Valley of Mexico, a fine and splendid region, variegated by extensive lakes, and surrounded by some of the loftiest volcanic peaks of the new world. Its circumference is about 200 miles, and it forms the very centre of the great table-land of Anahuac, elevated from 6000 to 8000 feet above the level of the sea. In the centre of this valley stands the city of Mexico; the ancient Mexico, or Tenochtitlan, having been built in the middle of a lake, and connected with the continent by extensive causeways or dykes. The new Mexico is three miles from the lake of Tezcuco, and nearly six from that of Chalco; yet Humboldt considers it certain, from the remains of the ancient *teocalli*, or temples, that it occupies the identical position of the former city, and that a great part of the waters of the valley have been dried up. Mexico was long considered the largest city of America; but it is now surpassed by New York, perhaps even by Rio Janeiro. Some estimates have raised its population to 200,000; but it may, on good grounds, be fixed at from 120,000 to 140,000. It is beyond dispute the most splendid. "Mexico is undoubtedly one of the finest cities built by Europeans in either hemisphere; with the exception of St. Petersburg, Berlin, and Philadelphia, and some quarters of Westminster, there does not exist a city of the same extent which can be compared to the capital of new Spain, for the uniform level of the ground on which it stands, for the regularity and breadth of the streets, and the extent of the squares and public places. The architecture is generally of a very pure style, and there are even edifices of a very beautiful structure." The palace of the late viceroys, the cathedral, built in what is termed the Gothic style, several of the convents, and some private palaces, reared upon plans furnished by the pupils of the academy of the fine arts, are of great extent and magnificence; yet, upon the whole, it is rather the arrangement, regularity, and general effect of the city, which render it so striking. Nothing, in particular, can be more enchanting than the view of the city and valley from the surrounding heights. The eye sweeps over a vast extent of cultivated fields, to the very base of the colossal mountains, covered with perpetual snow. The city appears as if washed by the waters of the Lake of Tezcuco, which, surrounded by villages and hamlets, resembles the most beautiful of the Swiss lakes, and the rich cultivation of the vicinity forms a striking contrast with the naked mountains. Among these rise the famous volcano Popocatepetl and the mountain of Iztacehuatl, of which the first, an enormous cone, burns occasionally, throwing up smoke and ashes, in the midst of eternal snows. The police of the city is excellent; most of the streets are handsomely paved,

lighted, and cleansed. The annual consumption in Mexico has been computed at 16,300 beeves; 279,000 sheep; 50,000 hogs; 1,600,000 fowls, including ducks and turkeys; 205,000 pigeons and partridges. The markets are remarkably well supplied with animal and vegetable productions, brought by crowds of canoes along the lake of Chalco, and the canal leading to it. These canoes are often guided by females, who at the same time are weaving cotton in their simple portable looms, or plucking fowls, and throwing the feathers into the water. Most of the flowers and roots have been raised in *chinampas*, or floating gardens, an invention peculiar to the new world. They consist of rafts formed of reeds, roots, and bushes, and covered with black saline mould, which, being irrigated by the water of the lake, becomes exceedingly fertile. It is a great disadvantage to Mexico, however, that it stands nearly on a level with the surrounding lake; which, in seasons of heavy rain, overwhelms it with destructive inundations. The construction of a *desague*, or canal, to carry off the waters of the lake of Zumpango, and of the principal river by which it is fed, has, since 1629, prevented any very desolating flood. The *desague*, though not conducted with skill and judgment, cost \$5,000,000, and is one of the most stupendous hydraulic works ever executed. Were it filled with water, the largest vessels of war might pass by it through the range of mountains which bound the plain of Mexico. The alarms, however, have been frequent, and cannot well cease, while the level of that lake is twenty feet above that of the great square of Mexico.

THE INSTINCT OF NATIONS.

WASHINGTON, HIS CHARACTER AND CONTEMPORARIES.

From "Washington and the Generals of the Revolution." Carey and Hart, 1847.

It is a truth, illustrated in daily experience, and yet rarely noted or acted upon, that, in all that concerns the appreciation of personal character or ability, the instinctive impressions of a community are quicker in their action, more profoundly appreciant, and more reliable, than the intellectual perceptions of the ablest men in the community. Upon all those subjects that are of moral apprehension, society seems to possess an intelligence of its own, infinitely sensitive in its delicacy, and almost conclusive in the certainty of its determinations; indirect, and unconscious in its operation, yet unshunnable in sagacity, and as strong and confident as nature itself. The highest and the finest qualities of human judgment seem to be in commission among the nation, or the race. It is by such a process, that whenever a true hero appears among mankind, the recognition of his character, by the general sense of humanity, is instant and certain: the belief of the chief priests and rulers of mind follows later, or comes not at all. The perceptions of a public are as subtly-sighted as its passions are blind. It sees, and feels, and knows the excellence, which it can neither understand, nor explain, nor vindicate. These involuntary opinions of people at large explain themselves, and are vindicated by events, and form at last the constants of human understanding. A character of the first order of greatness, such as seems to pass out of the limits and course of ordinary life, often lies above the ken of intellectual judgment; but its merits and its infirmities never escape the sleepless perspicacity of the common sentiment, which no novelty of form can surprise, and no mixture of qualities can perplex. The mind—the logical faculty—comprehends a subject, when it can trace in it the same elements, or relations, which it is familiar with elsewhere: if it finds but a faint ana-

logy of form or substance, its decision is embarrassed. But this other instinct seems to become subtler, and more rapid, and more absolute in conviction, at the line where reason begins to falter. Take the case of Shakspeare. His surpassing greatness was never acknowledged by the learned, until the nation had ascertained and settled it as a foregone and questionless conclusion. Even now, to the most sagacious mind of this time, the real ground and evidence of its own assurance of Shakspeare's supremacy, is the universal, deep, immovable conviction of it in the public feeling. There have been many acute essays upon his minor characteristics; but intellectual criticism has never grappled with Shaksperian art in its entirety and grandeur, and probably it never will. We know not now wherein his greatness consists. We cannot demonstrate it. There is less indistinctness in the merit of less eminent authors. Those things which are not doubts to our consciousness, are yet mysteries to our mind. And if this is true of literary art, which is so much within the sphere of reflection, it may be expected to find more striking illustration in great practical characters.

These considerations occur naturally to the mind in contemplating the fame of Washington. An attentive examination of the whole subject, and of all that can contribute to the formation of a sound opinion, results in the belief that General Washington's *mental* abilities illustrate the very highest type of greatness. His *mind*, probably, was one of the very greatest that was ever given to mortality. Yet it is impossible to establish that position by a direct analysis of his character, or conduct, or productions. When we look at the incidents or the results of that great career—when we contemplate the qualities by which it is marked, from its beginning to its end—the foresight which never was surprised, the judgment which nothing could deceive, the wisdom whose resources were incapable of exhaustion—combined with a spirit as resolute in its official duties as it was moderate in its private pretensions, as indomitable in its public temper as it was gentle in its personal tone—we are left in wonder and reverence. But when we would enter into the recesses of that mind—when we would discriminate upon its construction, and reason upon its operations—when we would tell how it was composed, and why it excelled—we are entirely at fault. The processes of Washington's understanding are entirely hidden from us. What came from it, in counsel or in action, was the life and glory of his country; what went on within it, is shrouded in impenetrable concealment. Such elevation in degree, of wisdom, amounts almost to a change of kind, in nature, and detaches his intelligence from the sympathy of ours. We cannot see him as he was, because we are not like him. The tones of the mighty bell were heard with the certainty of time itself, and with a force that vibrates still upon the air of life, and will vibrate for ever. But the clock-work, by which they were regulated and given forth, we can neither see nor understand. In fact, his intellectual abilities did not exist in an analytical and separated form; but in a combined and concrete state. They "moved altogether when they moved at all." They were in no degree speculative, but only practical. They could not act at all in the region of imagination, but only upon the field of reality. The sympathies of his intelligence dwelt exclusively in the national being and action. Its interests and energies were absorbed in them. He was nothing out of that sphere, because he was everything there. The extent to which he was identified with the country is unexampled in the relations of individual men to the community. During the whole period of his life he was the thinking part of the nation. He was its mind; it was his image and illustration. If we would classify and measure him, it must be with nations, and not with individuals.

This extraordinary nature of Washington's capacities—this impossibility

of analysing and understanding the elements and methods of his wisdom—have led some persons to doubt whether, intellectually, he was of great superiority; but the public—the community—never doubted of the transcendent eminence of Washington's abilities. From the first moment of his appearance as the chief, the recognition of him, from one end of the country to the other, as **THE MAN**—the leader, the counsellor, the infallible in suggestion and in conduct—was immediate and universal. From that moment to the close of the scene, the national confidence in his capacity was as spontaneous, as enthusiastic, as immovable, as it was in his integrity. Particular persons, affected by the untoward course of events, sometimes questioned his sufficiency; but the nation never questioned it, nor would allow it to be questioned. Neither misfortune, nor disappointment, nor accidents, nor delay, nor the protracted gloom of years, could avail to disturb the public trust in him. It was apart from circumstances; it was beside the action of caprice; it was beyond all visionary, and above all changeable feelings. It was founded on nothing extraneous; not upon what he had said or done, but upon what he was. They saw something in the man, which gave them assurance of a nature and destiny of the highest elevation—something inexplicable, but which inspired a complete satisfaction. We feel that this reliance was wise and right; but why it was felt, or why it was right, we are as much to seek as those who came under the direct impression of his personal presence. It is not surprising, that the world, recognising in this man a nature and a greatness which philosophy cannot explain, should revere him almost to religion.

The distance and magnitude of those objects which are too far above us to be estimated directly—such as stars—are determined by their parallax. By some process of that kind we may form an approximate notion of Washington's greatness. We may measure him against the great events in which he moved; and against the great men, among whom, and above whom, his figure stood like a tower. It is agreed that the war of American Independence is one of the most exalted, and honorable, and difficult achievements related in history. Its force was contributed by many; but its grandeur was derived from Washington. His character and wisdom gave unity, and dignity, and effect to the irregular, and often divergent enthusiasm of others. His energy combined the parts; his intelligence guided the whole: his perseverance, and fortitude, and resolution, were the inspiration and support of all. In looking back over that period, his presence seems to fill the whole scene; his influence predominates throughout; his character is reflected from everything. Perhaps nothing less than his immense weight of mind could have kept the national system, at home, in that position which it held, immovably, for seven years; perhaps nothing but the august respectability which his demeanor threw around the American cause abroad, would have induced a foreign nation to enter into an equal alliance with us, upon terms that contributed in a most important degree to our final success, or would have caused Great Britain to feel that no great indignity was suffered in admitting the claim to national existence of a people who had such a representative as Washington. What but the most eminent qualities of mind and feeling—discretion superhuman—readiness of invention, and dexterity of means, equal to the most desperate affairs—endurance, self-control, regulated ardor, restrained passion, caution mingled with boldness, and all the contrarieties of moral excellence—could have expanded the life of an individual into a career such as this?

If we compare him with the great men who were his contemporaries throughout the nation; in an age of extraordinary personages, Washington was unquestionably the first man of the time in ability. Review the corres-

pondence of General Washington—that sublime monument of intelligence and integrity—scrutinize the public history and the public men of that era, and you will find that in all the wisdom that was accomplished or was attempted, Washington was before every man in his suggestions of the plan, and beyond every one in the extent to which he contributed to its adoption. In the field, all the able generals acknowledged his superiority, and looked up to him with loyalty, reliance, and reverence; the others, who doubted his ability, or conspired against his sovereignty, illustrated, in their own conduct, their incapacity to be either his judges or his rivals. In the state, Adams, Jay, Rutledge, Pinckney, Morris—these are great names; but there is not one whose wisdom does not vail to his. His superiority was felt by all these persons, and was felt by Washington himself, as a simple matter of fact, as little a subject of question, or a cause of vanity, as the eminence of his personal stature. His appointment as commander-in-chief, was the result of no design on his part, and of no efforts on the part of his friends; it seemed to take place spontaneously. He moved into the position, because there was a vacuum which no other could supply: in it, he was not sustained by government, by a party, nor by connexions; he sustained himself; and then he sustained Congress against the army, and the army against the injustice of Congress. The brightest mind among his contemporaries was Hamilton's; a character which cannot be contemplated without frequent admiration, and constant affection. His talents took the form of genius, which Washington's did not. But active, various, and brilliant, as the faculties of Hamilton were, whether viewed in the precocity of youth, or in the all-accomplished elegance of maturer life—lightning quick as his intelligence was to see through every subject that came before it, and vigorous as it was in constructing the argumentation by which other minds were to be led, as upon a shapely bridge, over the obscure depths across which his had flashed in a moment—fertile and sound in schemes, ready in action, splendid in display, as he was—nothing is more obvious and certain than that when Mr. Hamilton approached Washington, he came into the presence of one who surpassed him in the extent, in the comprehension, the elevation, the sagacity, the force, and the ponderousness of his mind, as much as he did in the majesty of his aspect, and the grandeur of his step. The genius of Hamilton was a flower, which gratifies, surprises, and enchants; the intelligence of Washington was a stately tree, which in the rarity and true dignity of its beauty is as superior, as it is in its dimensions.

BANK OF ENGLAND.

I have been favored with an opportunity of examining the interior and exterior of this mighty engine, which guides, in some measure, the commercial and political movements of Europe, if not of the world. The events of the last few days have shown that the recent increase of the rate of interest has been severely felt by those who have dealt largely in grain, and many have been compelled to suspend payment.

The Bank of England is an immense structure, covering five acres of ground, having no windows in either of its fronts, but receiving light from above, or from its courts. It is open for business at nine in the morning, and continues open until five in the afternoon—employing during these hours between nine hundred and one thousand persons. At seven o'clock in the evening a detachment of soldiers are marched from the "Tower" into the bank, where they mount guard until seven o'clock the next morning.

The bank has a capital of eighteen millions sterling and is managed by governors, &c. Its notes are never re-issued by the bank, after being presented for payment. They may continue in circulation for any time and pass from one bank to another; but when presented to the bank for specie, the name of the person presenting must be endorsed, with his residence; then, after a careful examination, the note is paid and cancelled.

The printing, binding, &c. required by the bank and its branches are done within the building by the most approved methods. The steam presses and all the machinery are the best that can be obtained in England or Scotland.

So admirably arranged is every thing from the engine room to the "bank parlor" that every room resembles a beautiful toy shop. No "stoker" or engine "driver" is required to attend the fire or look after the engine during the day. The fire is fed in the same manner that wheat is ground. In the morning a sufficient quantity is put into the "hopper," and that sends a regular supply into the grates or stoves, and nothing farther is required. The water is supplied in the same way; and should there be any want of water, by accident or otherwise, an alarm is sounded by a whistle.

Each note is printed on what is called one sheet of paper; the lowest denomination is five pounds, the highest one thousand. The paper is first counted to those whose duty it is to "wet it down." This is done by a steam process. After the paper is in a proper state to be worked, it is locked up in boxes and sent to an officer who re-counts it. It is then counted again in parcels of one hundred sheets, and put into boxes, which are locked and placed in a sliding case ready for the pressmen, who are at work above. These sheets are drawn up and printed, and returned in the same manner; every sheet worked registers itself, and it is as well known in the room below, what number A B is printing above, as by himself. If, by accident A B "spoils a sheet," it must be marked as such and every particle of the spoiled sheet sent down. Every note or bill passes through the hands of two sets of pressmen. First, they are printed without the number and date. Secondly the number and date are added, when they are ready for the finishing touch, the signatures of one of the cashiers. One of the most ingenious pieces of mechanism I have ever seen is that used to mark the number on each bill. There is no change of number by hand, but all is done by this machine, and by steam power.

When the bills have passed through the hands of the printers they are sent to the drying room where they are again counted and dried; they are then put up into convenient packages and sent to the cashier's room, for signature. Thence they go to the register's department, and from that office are brought back to "the treasury." Here they are kept in fire proof iron cases, which cover all the sides of the room. The room itself is fire proof, there being only one thing that can burn, the counter. On one side of this room the cases are filled with gold, tied up in bags, and on the other the bills in packages, convenient for the "paying tellers." There are two large locks to each case, and the keys are kept by separate officers, so that both must be present before any sum can be removed. I held in my hand, while in this room, *two millions sterling*, all ready to be put in circulation.

Each day from thirty to thirty-six thousand bills are printed. The ink is made in the bank, and it is of such a peculiar composition that by its effect, together with that of the high sized paper, the "blankets" used on the presses require to be washed by steam at least once a day. The highest number of the notes is 99,999. When that number is reached they return to No. 1 with a new date. The pressmen and most of the machinists receive £3 per week. The females in the binding and ruling rooms earn from fifteen shillings to one pound per week.

The clerks are paid good salaries after they have been some years in the service of the bank. They commence, however, at a low rate, but soon become "higher graduates," with an increased salary in the bank, or are transferred to one of its branches.

The plan of personal security is frequently observed, as in the United States; but I was informed that there is an institution called the "guarantee fund," by which an individual, paying so much per month, becomes a member, and this institution is security for its members—thus securing the bank against loss, or the painful alternative of calling on personal security in case of mal-administration.

In one of the rooms ninety-seven clerks are employed, whose business is to examine the notes by register, and so minute and accurate is the concern that it is known in the bank what notes are out, and who received them; and it is the practice of *all* bankers, in town or country, to take the number of each note before it is paid and to whom paid. This is a work of time, but it gives great security.

In the bank there is a department called the weighing room. Here two gentlemen are employed weighing sovereigns by steam. The scales are so constructed as to drop the light coin on the left, the full weight on the right. Those that fall on the left are taken out and cut by a machine, and returned to the local bank or individual from which they came; they are then sold to the bank for bullion, to be re-coined.

There are several families residing in the bank, who have very comfortable accommodations. There is also a bank *kitchen* as well as bank parlor. This is for the accommodation of the directors on duty, who may wish a cup of coffee or a beef steak, &c.—*New York Com. Adv.*

NATIONAL FINANCES.

OFFICIAL.

GOVERNMENT TREASURY NOTES.—The following table exhibits officially the amount of treasury notes outstanding on the 1st September, 1847:

<i>Treasury Department,</i> Register's Office, Sept. 1, 1847.	
Amount outstanding of the several issues prior to the act of 22d July, 1846, as per records of this office,	\$271,089 31
Amount outstanding of the issue under the act of 22d July, 1846, as per records of this office,	2,004,700 00
Amount outstanding of the issue under the act of the 28th January, 1847, as per records of this office,	14,384,800 00
	<hr/>
	\$16,660,589 31
Deduct cancelled notes in the hands of the accounting officers, of which \$674,900 is under the act of 22d July, 1846, \$158,550 under the act of 28th Jan., 1847, and \$18,700 under other acts,	852,150 00
	<hr/>
	\$15,808,439 31
D. GRAHAM, Register of the Treasury.	

UNITED STATES DEPOSITS.—The following table will show the amount in the several depositories, subject to the draft of the United States treasurer, on the 30th of August:

Assistant treasurer, Boston,	\$82,036 15
H. W. Rogers, depository, Buffalo,	586 11
Assistant treasurer, New York,	3,521,763 21
Assistant treasurer, Philadelphia,	94,323 20
Treasury of the United States, Washington, D. C.,	122,224 77
W. H. Marriott, depository, Baltimore,	11,022 08
Thomas Nelson, depository, Richmond,	2,954 21
M. V. Jones, depository, Wilmington,	872 25
Assistant treasurer, Charleston,	325,532 59
W. B. Bullock, depository, Savannah,	9,218 56
J. E. Saunders, depository, Mobile,	7,792 72
Do. Alabama Bank notes,	1,853 00
J. Thomas, depository, Nashville,	1,233 99
Assistant treasurer, St. Louis,	87,191 09
P. Collins, depository, Cincinnati,	22,070 80
J. Kearsly, depository, Detroit,	192 78
T. Dyer, depository, Chicago,	81,423 35
D. G. Bright, depository, Jeffersonville,	37,688 80
L. R. Lincoln, depository, Little Rock,	440 20
Mint of the United States, Philadelphia, Pa.,	861,728 05
Branch Mint of the United States, Charlotte, N. C.,	32,000 00
“ “ “ Dahlonega, Ga.,	26,850 00
“ “ “ New Orleans, La.,	29,421 95
	<hr/>
	\$5,360,409 86
Deduct on account of transfers in transitu and overdrafts,	1,633,358 32
	<hr/>
Net amount subject to draft,	\$3,727,051 54

Treasury Department, }
Register's Office, Sept. 15, 1847. }

Statement of the receipts into the Treasury from customs, during the under-mentioned periods.

From the 1st October, 1845, to 1st July, 1846,	\$17,850,735 73
From the 1st October, 1846, to 1st July, 1847,	17,594,038 08
From the 1st December, 1845, to 31st August, 1846, and from the 1st December, 1846, to 31st August, 1847, to wit:	
During the month of December, 1845,	1,289,484 97
From 1st January to 30th June, 1846,	13,657,944 96
During the months of July and August, 1846,	4,847,884 78
	<hr/>
	\$19,795,314 71
During the month of December, 1846,	1,451,076 00
From 1st January, to 30th June, 1847,	13,952,845 86
During the months of July and August, 1847,	7,557,411 42
	<hr/>
	\$22,961,333 28

DANIEL GRAHAM, Register.

Treasury Department, Sept. 16, 1847.

SIR—The enclosed statement, prepared in the office of the register of the treasury, is transmitted in compliance with the request contained in your communication of the 26th ult.

The new tariff went into operation on the 1st December last; and the net proceeds under it (after deducting all expenses of collection,) actually paid into the treasury during the first nine months of its operation is, as you perceive, \$22,961,333 28—being greater by the sum of \$3,176,018 57, than the sum paid into the treasury during the same period of nine months under the tariff of 1842; and exhibiting a gain, at the same ratio of increase, of \$4,234,691 42 of the first twelve months under the tariff of 1846, as compared with the tariff of 1842.

The gross proceeds received by the collectors is much greater, as the expenses of collection are deducted before the money is paid into the treasury and recorded by the register.

Most respectfully, your obedient servant,

R. J. WALKER, Secretary of the Treasury.

To E. BARKSDALE, Esq., Yazoo city, Mississippi.

TREASURY NOTES—The amount of Treasury notes outstanding runs up, it will be seen by the following official statement, almost to *sixteen millions* of dollars. The whole amount that may lawfully be kept out, is, if we recollect rightly, about twenty-three millions.

TREASURY NOTES OUTSTANDING, SEPTEMBER 1, 1847

Treasury Department,
Register's Office, September 1, 1847. }

Amount outstanding of the several issues prior to the act of 22d July, 1846, as per records of this office,	\$281,689 31
Amount outstanding of the issues under the act of 22d July, 1846, as per records of this office,	2,004,700 00
Amount outstanding of the issue under the act of 28th Jan. 1847, as per records of this office,	14,384,800 00
	<hr/>
	\$16,660,589 31

Deduct cancelled notes in the hands of the accounting officers, of which \$674,900 is under the act of 22d July, 1846, \$158,550 under the act of 28th January, 1847, and \$48,700 under other acts,	852,150 00
	<hr/>
	\$15,808,439 31

D. GRAHAM, Register of the Treasury.

The official statement of the United States Treasurer of the amount of public funds subject to draft in the various departments on the 30th ultimo, shows as the sum total at that date \$3,721,051.

Of this sum almost the whole was in the hands of the sub-treasurer at New York, viz. \$3,521,763.

REVENUE, 1846—47.

Treasury Department, August 2, 1847.

The receipts into the Treasury during the quarter ending the 30th of June last, were, as nearly as can now be ascertained—

From customs, about,	\$7,065,000
Lands,	1,053,650
Loans of 1846 and 1847,	12,242,900
Premiums on loan,	30,000
Miscellaneous sources,	13,500

\$20,405,050

The expenditures during the same period were—civil list, miscellaneous, and foreign intercourse, \$1,210,304 00

On account of—

The army,	\$16,172,594 51
Indian department,	204,066 72
Fortifications,	161,777 27
Pensions,	22,175 11-16,560,613 61
Navy,	1,931,809 39
Interest, &c., on public debt,	617,175 75
Reimbursement and interest of treasury notes,	2,154,782 93
Reimbursement of treasury notes purloined, including interests,	919 62

\$22,475,505 35

M'CLINTOCK YOUNG, Acting Secretary of Treasury.

COTTON CROP OF THE U. S.

Statement and total amount for the year ending 31st August, 1847.

		Bales.	Total, 1847.	Total, 1846.
Export.—New Orleans.				
To foreign ports.....	565,007			
Coastwise.....	159,501			
Stock, 1st September, 1847.....	23,493	748,001		
Deduct—Stock, 1st September, 1846....	6,332			
Received from Mobile.....	16,379			
Received from Florida.....	16,966			
Received from Texas.....	2,345	42,022	705,979	1,037,144
Export.—Mobile.				
To foreign ports.....	190,221			
Coastwise.....	116,801			
Stock, 1st September, 1847.....	24,172	331,194		
Deduct—Stock, 1st September, 1846....	7,476			
Received from New Orleans.....	256	7,732	323,462	421,966
Export.—Florida.				
To foreign ports.....	36,726			
Coastwise.....	90,006			
Burnt at Apalachicola.....	100			
Stock, 1st September, 1847.....	2,108	128,940		
Deduct—Stock 1st September, 1846....		1,088	127,852	141,184
Export.—Texas.				
To foreign ports.....	543			
Coastwise.....	9,242			

Cotton Crop of the United States.

259

		Bales.	1847.	1846.
Stock, 1st September, 1847.....	32	9,817		
Deduct—Stock, 1st September, 1846...		1,500	8,317	27,008
Export from Savannah—Georgia.				
To foreign ports—uplands.....	113,656			
Sea Islands.....	5,665			
Coastwise—uplands.....	113,300			
Sea Islands.....	1,530			
	<hr/>			
	234,151			
Export from Darien—				
To New York.....	5			
Stock in Savannah, 1st September, 1847	7,787			
Stock in Augusta and Hamburg, 1st				
September, 1847.....	17,233	259,176		
Deduct—Stock in Savannah and				
Augusta, 1st September, 1846.....	15,828			
Received from Florida.....	559	16,387	242,789	194,911
Export from Charleston—South Carolina.				
To foreign ports—uplands.....	179,467			
Sea Islands.....	10,869			
Coastwise—uplands.....	156,064			
Sea Islands.....	698			
	<hr/>			
	347,098			
Export from Georgetown—				
To New York, Boston, &c.....	2,000			
Stock in Charleston, 1st September, 1847.	29,655	378,753		
Deduct—Stock in Charleston, 1st Sep-				
tember, 1846.....	8,709			
Received from Savannah.....	18,408			
Received from Florida.....	1,436	28,553	350,200	251,405
Export—North Carolina.				
Coastwise.....			6,061	10,637
Export—Virginia.				
To foreign ports.....	152			
Coastwise.....	3,000			
Manufactured, (taken from the ports)..	10,491			
Stock, 1st September, 1487.....	448	14,091		
Deduct—Stock, 1st September, 1846...		100	13,991	13,282
Received overland last year.....				3,000
			<hr/>	<hr/>
Total crop of the U. S...		bales, 1,778,651		2,100,537
Received at Phila. and Balt., overland..			1,828	
Total crop of 1847, as above.....		bales, 1,778,651		
Crop of last year.....			2,100,537	
			<hr/>	<hr/>
Decrease.....		bales, 321,886		

EXPORT TO FOREIGN PORTS.

From September 1, 1846, to August 31, 1847.

From	To Great Britain.	To France.	To North of Europe.	Other ports.	Total.
New Orleans.....	bales, 385,368	95,719	26,297	57,623	565,007
Mobile.....	131,154	39,293	5,293	14,481	190,221

From	To Great Britain.	To France.	North of Europe.	Other ports.	Total.
Florida.....	bales, 30,896	2,592		3,238	36,726
Texas.....			543		543
Georgia.....	107,227	11,150		944	119,321
South Carolina.....	121,662	51,452	8,794	8,428	190,336
North Carolina.....					
Virginia.....	152				152
Baltimore.....	30	425			455
Philadelphia.....	433				433
New York.....	53,638	40,798	32,074	7,998	134,508
Boston.....	349	57	2,688	426	3,520
Grand total.....	830,909	241,486	75,689	93,138	1,241,222
Total last year..	1,102,969	359,703	86,692	118,028	1,666,792
Decrease.....	271,460	118,217	11,003	24,890	425,570

The shipments, if any, from Mississippi are included in the export from New Orleans.

ANNUAL CROP FOR EACH YEAR SINCE 1828.

Total crop of 1827-8.....	bales, 712,000	1837-8.....	bales, 1,801,497
1828-9.....	857,744	1838-9.....	1,360,531
1829-30.....	976,845	1839-40.....	2,177,836
1830-1.....	1,038,848	1840-1.....	1,634,945
1831-2.....	897,477	1841-2.....	1,683,574
1832-3.....	1,070,438	1842-3.....	2,378,875
1833-4.....	1,205,394	1843-4.....	2,030,409
1834-5.....	1,254,328	1844-5.....	2,394,503
1835-6.....	1,360,725	1845-6.....	2,100,537
1836-7.....	1,422,930	1846-7.....	1,778,651

CONSUMPTION.

Total crop of the U. S., for 1847, as above stated	bales, 1,778,651
Add—Stocks on hand at the commencement of the year, 1st September, 1846:	
In the southern ports.....	41,033
In the northern ports.....	66,089
Makes a supply of.....	1,885,773
Deduct therefrom—The export to foreign ports,	1,241,222
Less, foreign included.....	353
1,240,869	
Stocks on hand at the close of the year, 1st September, 1847:	
In the southern ports.....	104,928
In the northern ports.....	109,909
214,837	
Burnt at Apalachicola.....	100
Burnt at New York.....	2,000
2,100	
Taken for home use.....	1,457,806
bales, 427,967	

Quantity consumed by and in the hands of Manufacturers.

1846-7.....	bales, 427,967	1836-7.....	bales, 222,540
1845-6.....	422,597	1835-6.....	236,733
1844-5.....	398,006	1834-5.....	216,888
1843-4.....	346,744	1833-4.....	196,413
1842-3.....	325,129	1832-3.....	194,412
1841-2.....	267,850	1831-2.....	173,800
1840-1.....	297,288	1830-1.....	182,142
1839-40.....	295,193	1829-30.....	126,512
1838-9.....	276,018	1828-9.....	115,853
1837-8.....	246,063	1827-8.....	120,593

EXPORT OF BREAD STUFFS

From the United States to Great Britain and Ireland, from September 1, 1846, to September 1, 1847.

From.	Flour, bbls.	Corn Meal, bbls.	Wheat, bush.	Corn, bush.	Rye, bush.	Oats, bush.	Barley, bush.
New York.....	1,673,582	354,127	2,505,756	6,818,263	75,692	367,791	287,503
Philadelphia...	320,950	244,604	639,633	1,127,125	9,803	3,047	
Baltimore.....	304,263	82,926	101,376	1,687,896		64,443	
Norfolk.....	49,687	21,289		1,362,761			
New Orleans...	671,335	71,175	818,770	5,186,330			1,985
Boston.....	80,933	25,646	11,541	574,404	2,420	1,350	125
Other ports.....	49,939	47,513	38,058	541,965	346	250	
Total....	3,150,689	847,280	4,015,134	17,298,744	88,261	436,881	289,613

BANK STATISTICS.

Condition of the Banks of Ohio. (41 in number,) on the first Monday in August, 1847.

	Resources.	9 Ind't. Banks.	24 State Banks.	8 Old Banks.
Loans.....	\$ 1,126,435		\$ 4,660,670	\$ 4,709,234
Specie...	224,255		1,319,888	779,496
Notes of other banks.....	269,387		798,025	539,281
Bank balances.....	179,230		328,655	824,097
Eastern funds.....	398,180		1,023,789	974,374
State bonds.....	810,314		435,398	
Miscellaneous	165,452		114,354	719,380
Total resources.....	\$ 3,173,253		\$ 8,680,779	\$ 8,045,863
	Liabilities.	9 Ind't. Banks.	24 State Banks.	8 Old Banks.
Capital.....	\$ 449,800		\$ 2,361,583	\$ 2,560,676
Circulation.....	737,570		4,179,407	2,854,693
Bank balances.....	165,465		127,345	479,571
Deposits.....	959,506		1,743,836	1,467,483
Bonds.....	761,688		62,684	
Surplus.....	26,298		31,708	176,610
Miscellaneous.....	72,927		174,215	506,830
Total liabilities.....	\$ 3,173,253		\$ 8,680,779	\$ 8,045,863
Total Liabilities or Assets.		May 1.	August 1.	
9 Independent banks.....		\$ 2,800,678	\$ 3,173,253	
24 Branches state bank.....		7,537,608	8,680,779	
8 Old banks.....		7,818,917	8,045,863	
Total.....		\$ 18,157,203	\$ 19,899,895	

The returns of August, 1847, contain the exhibits of two recently established branches of the State Bank, viz. Norwalk branch, Norwalk, Huron county; Piqua branch, Piqua.

MISCELLANEOUS.

NEW CONSTITUTION OF ILLINOIS.—The recent convention for forming a new constitution have adopted the following article relating to banks and corporations:

Article X.—Corporations.

Section 1. Corporations, not possessing banking powers or privileges, may be formed under general laws, but shall not be created by special acts, except for municipal purposes, and, in cases where, in the judgment of the general assembly, the objects of the corporation cannot be attained under general laws.

Sec. 2. Dues from corporations, not possessing banking powers or privileges, shall be secured by such individual liabilities of the corporators, or other means, as may be prescribed by law.

Sec. 3. No state bank shall hereafter be created, nor shall the state own or be liable for any stock in any corporation or joint stock association for banking purposes, to be hereafter created.

Sec. 4. The stockholders in every corporation, or joint stock association for banking purposes, issuing bank notes, or any kind of paper credits to circulate as money, shall be individually responsible, to the amount of their respective share or shares of stock in any such corporation or association, for all its debts and liabilities of every kind.

Sec. 5. No act of the general assembly, authorizing corporations or associations with banking powers, shall go into effect, or in any manner be in force, unless the same shall be submitted to the people at the general election next succeeding the passage of the same, and be approved by a majority of all the votes cast at such election for and against such law.

Sec. 6. The general assembly shall encourage internal improvements, by passing liberal general laws of incorporation for that purpose.

FRENCH GOVERNMENT LOANS.—The necessity in which the minister of finance is placed to postpone the loan of 350,000,000*fr.* to the month of November next, is explained as follows: The minister of finance, in the month of February last, had almost determined to negotiate that loan immediately, when the English cabinet apprised of his intention, anticipated him, and concluded on the 26th of February, a loan of 8,000,000*l.* sterling, payable in monthly instalments. The announcement and negotiation of that loan were made so quickly that the French cabinet had not time to adopt any resolution, and the capitalists, having declared that it would be impossible for them to think of a French loan until they had discharged the amount of the English loan, M. Lacave Laplagne found himself compelled to adjourn it. It was under those circumstances that the minister delivered, in the commencement of the month of March, that optimistic speech in which he depicted in such favorable colors the financial prospects of the country. Since that period the great capitalists have shown but little haste to subscribe to a French loan, and they persist in adjourning the negotiation until after the payment of the last instalment of the English loan. It is true that about the month of March last the English treasury, having been called on to pay off a considerable number of exchequer bills, offered to discount the future instalments of the loan on advantageous terms, and by this arrangement obtained more than two millions sterling. Thanks to those payments in anticipation, the London money market was not affected by the three payments of June, July and August. But the two last instalments of September and October are still due, and the contractors will have to pay 960,000*l.* sterling

on the 3d of September, and 1,280,090l. sterling on the 15th of October. This explains why the French loan cannot be negotiated until after the 15th of October next.—*Paris Presse*.

THE FOREIGN GRAIN AND MONEY MARKET.—The recent fluctuations of the corn trade having been of such an unusual and remarkable character, and the failures which have taken place therein numerous, and involving a large amount of liabilities, we have prepared the following table showing the price of the best English wheat from the 1st of March till the present date; also the price of Indian corn, of consols (for account,) and of the shares of the two large railway companies—the North Western and Great Western. On looking over these figures we find that wheat which realized 113 shillings per quarter on the 1st of March has fallen to 59 shillings. Indian corn at the same time was sold at 66s. to 72s.; now it commands, at the very extreme point, only 33s. per quarter:

Monday.	Wheat.	Indian Corn.	Consols.	London and North Western Railway.	Great Western Railway.
March.. 1	69 86.....	66 72.....	89½.....	185½.....	121
" 8.....	73 87.....	66 72.....	89½.....	182	117
" 15.....	75 89.....	66 72.....	88½.....	177	110
" 22.....	73 87.....	56 60.....	89½.....	178	115
" 29.....	70 84.....	50 52.....	88½.....	179	117
April... 5.....	70 84.....	50 52.....	88½.....	176	116
" 12.....	71 85.....	50 52.....	86½.....	173	115
" 19.....	77 90.....	50 52.....	87½.....	173	115½
" 26.....	77 90.....	50 52.....	86½.....	170	114
May.... 3.....	82 95.....	50 52.....	87½.....	170½.....	114½
"10.....	94 107.....	56 72.....	86½.....	.....	112
"17.....	100 113.....	56 72.....	86½.....	170	110
"24.....	94 107.....	56 72.....	87½.....	170	109
"31.....	86 99.....	50 66.....	89	178	115½
June.... 7.....	93 106.....	50 66.....	88½.....	174	114
"14.....	84 100.....	48 56.....	88½.....	179½.....	114
"21.....	87 98.....	40 53.....	88½.....	179 .....	.....
"28.....	79 96.....	40 50.....	88½.....	186	119½
July 5.....	71 82.....	40 46.....	89½.....	182	115
"12.....	75 86.....	40 46.....	88½.....	180	121
"19.....	75 86.....	40 46.....	89	178 .....	.....
"26.....	60 81.....	40 46.....	88½.....	175	114
August.. 2.....	60 71.....	30 34.....	88½.....	176	114
" 9.....	60 71.....	30 34.....	86½.....	170 .....	.....
"16.....	62 66.....	28 36.....	87½.....	167	108
"23.....	60 64.....	25 35.....	87½.....	162	110
"30.....	56 59.....	30 33.....	87½.....	166	110

For ordinary calculations, allow 25 cents to the shilling sterling.

COTTON MANUFACTURE.—The cultivation and manufacture of cotton give employment to a large portion of the human family. Cotton is, indeed, a modern wonder in the agricultural world, and especially as relates to this country. Its history is like romance. A late number of the Manchester (English) Guardian furnishes some valuable statistics of cotton machinery at work in that country, and on the subject of the manufacture generally. We condense the following information from the article.

<i>England and Wales, 1846.</i>		
Mule spindles,	11,364,584	
Throstle "	4,190,035—	15,554,619
<i>Scotland.</i>		
Mule spindles,	1,476,083	
Throstle "	253,795—	1,729,878
Looms mills 86, spindles, 23,970.		
<i>Ireland.</i>		
Mule spindles,	159,333	
Throstle, "	56,170—	215,503
Looms mills 15, spindles, 2185,		
Total,		17,500,000
States comprised in German Custom League, (Spind.) 815,000		
Austria and Italy,	" . 1,500,000 ;	
France,	" . 3,500,000	
Belgium,	" . 420,000	
Switzerland,	" . 650,000	
Russia,	" . 700,000—	7,585,000
United States,	"	2,500,000
Total,		27,585,000

BANK ITEMS.

THE BOWERY BANK—Organized under the general banking law, with a capital of \$300,000, commenced business on Tuesday, the 10th day of August, at No. 173 Bowery.

DIRECTORS.

Francis A. Palmer,	Lewis Bleidorn,	Derbon Pearsall,
Jesse A. Marshall,	Edward Ferris,	William H. Calkin,
Abraham Cummings,	Enoch Dean,	Jacob Miller,
John S. Giles,	George W. Edwards,	Jedediah Frye,
Thomas McElrath,	Alexander Masterton,	Alonzo A. Alvord.
James C. Baldwin,	John McMenomy,	

DANIEL W. TOWNSEND, President.

NATHANIEL G. BRADFORD, Cashier.

BANK OF SARATOGA.—A new bank has been established at Saratoga Springs, New York, under the title of the "Bank of Saratoga." The president is James R. Westcott, Esq., and the cashier James M. Marvin, Esq.

THE IRON BANK.—The books for the stock for the Iron Bank granted by the last (Connecticut) legislature, to be located near the northwest section of Connecticut, were opened on the 3d of August, and in a few hours, stock amounting to about \$200,000 was subscribed for, when only \$100,000 was required; and it is said that \$300,000 would have been subscribed had permission been given.

OHIO BANKS.—New branches of the State Bank of Ohio are about to be put in operation at the following places:

Lorain Bank, Elyria, Lorain county.
 Preble County Bank, Eaton, Preble county.
 Farmers' Bank, Ripley, Brown county.
 Mount Pleasant Bank, Mount Pleasant, Jefferson county.
 Harrison Bank, Cadiz, Harrison county.

THE
BANKERS' MAGAZINE,
AND
State Financial Register.

VOL. II.

NOVEMBER, 1847.

NO. V.

RIGHTS OF STOCKHOLDERS.

We lay before our readers the following correspondence in relation to the right of a stockholder to require information from a bank as to the private accounts of individuals.

There are, at times, certain items of information which a stockholder may with propriety call for, but as a general rule to admit his right to learn the amount held of any particular paper, or to inquire into the condition of the accounts of individuals with the bank, would involve the officers in much trouble and be inadmissible.—*Editor B. M.*

New York, Sept. 16th, 1847.

To the President and Directors of the Manhattan Company:

GENTLEMEN—As a stockholder of the Institution, I applied to the president and cashier personally, and requested to know the amount it held of the paper of Prime, Ward & Co.

These gentlemen formally refused the information asked, on the declared ground that I had no right to it.

The stand taken by them, I must say, was very unexpected to me. I supposed the time for such concealment was long since passed.

Believing that a shareholder has an undeniable right to know of what the property of a corporation consists, in which he is a partner, I make the same request of the board that I did of the president and cashier, and should be pleased with an early reply.

Respectfully, yours.

C. V. S. ROOSEVELT.

Manhattan Co., New York, 23d Sept., 1847.

C. V. S. Roosevelt, Esq.—Sir: Your letter of the 16th instant, demanding, as a stockholder, a right to be informed of the amount of paper held by the Manhattan Co., made by a mercantile house with which the company has dealings, has been submitted to the directors.

In replying to your communication, it is necessary to advert to the interruptions which such applications, if insisted upon extensively, would occasion to the officers of the bank, in the ordinary course of their business and duty. It is sufficient to say, in regard to the claim advanced by you, that it involves, in effect, the assertion of a right in every stockholder, to examine at will into all the accounts and transactions of the bank; for if

right exists to any one dealer or discount, it necessarily exists in all cases. In yielding to such a pretension the board would obviously impair the general interest committed to their charge; since no individual would choose to have his bank account subjected to the prying inspection of every inquisitive mischievous stockholder.

The legislature of this state have granted to stockholders certain limited and temporary rights, by enacting that the transfer books of the stock, and the book containing the names of the stockholders, of any incorporated company in the state, shall at all reasonable times during the usual hours of business, be open to the examination of every stockholder, for thirty days previous to an election of directors. At no other period, then, according to legislative interpretation, could you require even a knowledge of the names of your associate stockholders.

You will thus perceive, sir, that an acquiescence in your demand is not regarded as a right that you may enforce; that such acquiescence might lead to annoying and injurious interruptions of the ordinary business of the officers of the bank; that it would be inconsistent with the duties of the directors towards others, and tend to the detriment of the general interests of the Manhattan Company.

A compliance with your requirement is therefore respectfully declined.

Your obedient servant,

C. O. HALSTED, President.

New York, September 24th, 1847.

To the President and Directors of the Manhattan Company :

GENTLEMEN:—Your communication of yesterday, in answer to mine of the 16th instant, is received. I did not suppose that in any possible manner the inference could be drawn from my letter, that what I claimed “involved in effect the assertion of a right in every stockholder to examine at will into all the accounts and transactions of the bank,” if so, there would be no necessity for directors.

By referring to my letter it will be seen that I only claim “that a shareholder has an undeniable right to know of what the property of a corporation consists, in which he is a partner.” There is nothing in my communication that claims the right of any “inquisitive, mischievous stockholder” to inquire into the private accounts with the company of any individual dealer or discount; these accounts are not the *property* of the company.

What I claim, involves the right of every stockholder, of even one single share, to know of what his property consists. For instance, what real estate the company holds, its location, dimensions, valuation, &c.—the amount of bills discounted, loans, &c. and all other property for which the company has paid the funds of the stockholders; which includes the right especially to know of all overdrafts, and all protested paper, and all paper any of the parties on which has failed.

This information I conceive the board is bound, in fairness and honesty, to give. If not, how easy is it for a director, as soon as a loss takes place that reduces the value of his stock, to go at once and sell to his neighbor, as good property, that which he alone, on your principle, is able to know has been materially impaired in value. Such things have been.

To say nothing of the law, the true interest of the bank requires that the extent of every loss should be promptly, publicly and officially known; for every body is aware that rumor generally exaggerates losses and difficulties far beyond the reality.

As to the interruption of the business of the bank by inquiries such as I

have made, it is only necessary to say that as little of the time of the officers of the bank would be taken up in giving the information as could possibly be in denying it.

The legislature of New York, in my opinion, has left to the stockholders every copartnership right not taken away by the charter itself. Charters generally are sought for because they increase privileges, not diminish them.

I did not assert that I had a right which I mean to enforce, although I have no doubt it can be enforced; but I did suppose that the common sense of every individual member of the board would have acquiesced in the right I claim, and that common fairness would have conceded it.

There was a time when these corporations were abodes of mystery to all but the initiated—their affairs were conducted with the profoundest secrecy; but better counsels now generally prevail. It is now universally admitted that things that will bear the light, need not be kept in darkness; that whenever concealment is insisted on, there must be something wrong.

No company can illustrate better than the Manhattan Company, the evils of concealment. Had "every inquisitive, mischievous stockholder" maintained and enforced against former boards of directors the right I now claim, its affairs would certainly have been conducted with much more profit to those stockholders. Experience has abundantly shown that "mischievous" officers have done more to impair "the general interests committed to their charge," than could possibly have been done by the intermeddling of every "inquisitive stockholder."

I feel still confident that the board will be induced to reconsider this matter, and come to a very different determination; in which case I should be happy to hear from it again.

With due respect, yours,

C. V. S. ROOSEVELT.

Names of the Directors of the Manhattan Company:—

Caleb O. Halsted, Wm. M. Halsted, John L. Lawrence, James McBride, George W. Blunt, Wm. W. Todd, Edmund Penfold, Edwin Hoyt, John D. Van Buren, Silas Brown, Oliver Slate, Jr., James Warren, Jr.

BANK STATISTICS.

BOSTON.

Capital of the Boston Banks and dividends for the years 1845, 1846 and 1847.

Name of Bank.	Capital.	Dividends,				Amount,
		1845.	1846.	April, 1847.	Oct'r, 1847.	
Atlas Bank.....	\$500,000	6	6	3	3½	\$17,500
Atlantic Bank.....	500,000	6	6	3	3½	17,500
Boston Bank.....	900,000	7	7	3½	3½	31,500
Boylston Bank.....	150,000		5	4	4	6,000
City Bank.....	1,000,000	6	6	3	3	30,000
Columbian Bank.....	500,000	5½	6	3	3	15,000
Eagle Bank.....	500,000	6½	6½	3	3½	17,500
Freeman's Bank.....	200,000	7	8	4	4	8,000
Globe Bank.....	1,000,000	6	6½	3½	3½	35,000
Granite Bank.....	500,000	6	7	3	3½	17,500
Hamilton Bank.....	500,000	6	7	3½	3½	17,500
Market Bank.....	560,000	8	9	4½	5	28,000

<i>Name of Bank.</i>	<i>Capital.</i>	<i>Dividends,</i>		<i>April, Oct'r</i>		<i>Amount.</i>
		1845.	1846.	1847.	1847.	Oct. 1847.
Merchants' Bank.....	3,000,000	7	7	3½	3½	105,000
Massachusetts Bank.....	800,000	5 4-5	6	3	3	24,000
Mechanics' Bank.....	120,000	7	8	4	4	4,800
New England Bank.....	1,000,000	6	6	4	4	40,000
North Bank.....	750,000	6	6	3	3	22,500
Shawmut Bank.....	500,000	6	6½	3	4	20,000
Shoe and Leather Bank.....	500,000	6½	7½	4	4	20,000
State Bank.....	1,800,000	6	6	3	3	54,000
Suffolk Bank.....	1,000,000	8	8	5	5	50,000
Traders' Bank.....	400,000	6	6	3½	3½	14,000
Tremont Bank.....	500,000	6	6	3	3½	17,500
Union Bank.....	800,000	6	6	3½	3½	28,000
Washington Bank.....	500,000	5½	6	3	3½	17,500
Exchange Bank, (<i>new</i>).....	500,000	(Commenced 15th July, 1847.)				

Total capital, October, 1847... \$ 18,980,000 *Total dividend, Oct., 1847,* \$ 658,300
Aggregate amount of dividend April, 1847..... \$ 623,000

The Boston Bank has increased its capital from \$ 600,000 to \$ 900,000 since April, 1847. The Exchange Bank commenced business on the 15th July, 1847, on capital half paid in—viz. \$ 250,000.

BANKS OF GEORGIA.

Planters' Bank of the State of Georgia, at Savannah.

<i>Liabilities.</i>	October 6, 1845.	April 6, 1846.	Oct. 4, 1847.
Capital.....	\$ 535,400	\$ 535,400	\$ 535,400
Circulation.....	191,620	218,200	254,496
Bank balances.....	5,708	46,608	69,271
Individual deposits.....	179,171	251,740	202,210
Dividends unclaimed.....	10,882	6,525	8,572
Profits and reserved fund.....	127,844	113,497	144,045
Due treasurer U. S.....	75,152	77,370	
Total liabilities.....	\$ 1,125,775	\$ 1,249,340	\$ 1,213,994
<i>Resources.</i>	October 6, 1845.	April 6, 1846.	Oct. 4, 1847.
Notes discounted.....	482,915	587,927	540,435
Notes under protest.....	146,955	123,880	105,411
Bills of exchange.....	65,375	122,022	59,073
Savannah City bonds, 7 per ct.....	127,110	127,106	126,000
Bonds of State of Georgia.....	25,000	25,000	25,000
Stock of other institutions.....	15,090	17,697	20,226
Bank balances.....			14,400
Banking house and lot.....	10,000	10,000	10,000
Real estate received for debt.....	41,615	41,615	39,515
Expense account and protest.....	3,804	4,147	3,851
Coin on hand.....	133,896	127,324	146,990
Notes of other banks.....	6,410	15,050	7,512
Due by northern banks.....	37,351	47,572	115,581
Bank notes abstracted and redeemed...	30,254		
Total resources.....	\$ 1,125,775	\$ 1,249,340	\$ 1,213,994

Marine and Fire Insurance Bank, Savannah, and Agency at Macon.

	April 6, 1846.	October 4, 1847.
<i>Liabilities.</i>		
Capital.....	\$ 400,000	\$ 400,000
Circulation.....	673,442	477,650
Individual deposits.....	235,004	154,325
Unclaimed dividends.....	6,609	7,616
Bank balances.....	81,732	33,040
Profits undivided.....	86,546	108,794
Due to agency.....	3,534	2,987
Total liabilities.....	\$ 1,486,867	\$ 1,184,412
<i>Resources.</i>		
	April 6, 1846.	October 4, 1847.
Notes discounted.....	382,224	384,578
Notes under protest.....	38,443	35,981
Bills of exchange.....	551,067	179,891
Bonds of City of Savannah, 7 per ct.....	21,000	20,000
Bonds of the State of Georgia.....		25,000
Real estate.....	22,910	27,763
Stocks of other institutions.....	93,941	58,523
Bank balances.....	93,461	61,770
Expense account, &c.....	6,222	6,432
Specie on hand.....	220,473	197,943
Northern exchange.....		164,996
Notes of other banks.....	57,126	21,536
Total resources.....	\$ 1,486,867	\$ 1,184,412

Mechanics' Bank, Augusta, Georgia, and Agencies.

	April, 1846.	October 4, 1847.
<i>Liabilities.</i>		
Capital.....	500,000	500,000
Circulation.....	665,038	565,570
Individual deposits.....	91,638	164,985
Bank balances.....	69,933	39,524
Dividends unpaid.....		1,232
Undivided profits.....	122,156	114,013
Due by agencies.....		3,694
Total liabilities.....	\$ 1,448,765	\$ 1,389,018
<i>Resources.</i>		
	April, 1846.	October 4, 1847.
Notes discounted.....	*724,664	363,560
Notes under protest.....		36,454
Bills of exchange.....	*446,082	372,313
Due by state of Georgia.....		25,000
Bonds of state of Georgia, 6 and 8 per ct.....		102,469
City of Augusta bonds.....		26,251
Stock in other institutions.....		13,670
Real estate.....		70,132
Protest account.....	407	071
Bank balances.....		115,347
Notes of other banks.....	124,914	23,970
Specie on hand.....	152,698	239,781
Total resources.....	\$ 1,448,765	\$ 1,389,018

*Including all loans and real estate.

Bank of Brunswick, Augusta, and Agency at Columbus.

<i>Liabilities.</i>		April 6, 1846.	October 4, 1847.
Capital stock.....	200,000		200,000
Circulation.....	172,772		220,976
Individual deposits.....	41,783		64,862
Bank balances.....	47,179		8,413
Undivided profits.....	16,228		32,743
Total liabilities.....	\$ 477,962		\$ 526,994
<i>Resources.</i>		April 6, 1846.	October 4, 1847.
Notes discounted.....	163,558		113,618
Bills of exchange and advances.....	53,049		122,960
Bank balances.....	51,510		40,483
Bank balances (New York).....	104,996		84,154
Stocks.....			72,842
Specie on hand.....	83,588		73,225
Notes of other banks.....	10,955		17,766
Miscellaneous and real estate.....	10,274		1,946
Total resources.....	\$ 477,962		\$ 526,994

Augusta Insurance and Banking Company.

<i>Liabilities.</i>		April 6, 1846.	October 4, 1847.
Capital stock.....	375,000		375,000
Deposits and dividends unpaid.....	18,580		29,167
Undivided profits.....	38,521		63,493
Circulation.....	65,591		164,831
Total liabilities.....	\$ 497,692		\$ 632,491
<i>Resources.</i>		April 6, 1846.	October 4, 1847.
Notes discounted.....	106,866		121,242
Notes under protest.....	100,018		71,743
Northern exchange.....	30,558		54,764
Stocks owned by the bank.....	96,730		90,235
Real estate.....	36,513		52,723
Bank balances.....	22,897		75,884
Advances, Insurance, &c.....	33,545		50,050
Specie on hand.....	34,683		108,210
Notes of banks.....	35,881		7,640
Total resources.....	\$ 497,692		\$ 632,491

Georgia Rail Road and Banking Co., Augusta.

<i>Liabilities.</i>		April 6, 1846.	October 4, 1847.
Capital stock.....	*2,289,284		2,289,200
Deposits, collections, &c.....	377,596		804,582
Due corporations, &c.....			65,504
Profit and loss.....	532,684		635,616
Circulation, rail road receipts, &c.....	221,753		293,212
Bonds issued.....	574,900		
Total liabilities.....	\$ 3,996,217		\$ 4,088,114

* \$ 375,000 bank capital, \$ 1,914,284 rail road capital.

Bank Statistics.

271

<i>Resources.</i>	April 6, 1846.	October 4, 1847.
Rail road outfit, extension, &c.....	3,272,677	3,433,616
Banking house and other real estate.....	129,365	132,473
Due by banks and agents.....	29,416	84,308
Bonds, stock and advances to state.....	95,503	103,088
Bills receivable.....	188,780	204,528
Specie on hand.....	49,516	74,984
Notes of other banks.....	53,260	55,117
Salaries, interest, expenses.....	177,700	
Total resources.....	\$ 3,996,217	\$ 4,088,114

RECAPITULATION, OCTOBER 4, 1847.

	Capital.	Circulation.	Specie.
Augusta Banking and Insurance Co.....	\$ 375,000	\$ 164,000	\$ 108,000
Bank of Brunswick.....	200,000	221,000	73,000
Georgia R. R. & Banking Co.....	375,000	293,000	75,000
Mechanics' Bank.....	500,000	565,000	240,000
Planters' Bank.....	535,000	254,000	147,000
Marine & Fire In. Bank.....	400,000	477,000	198,000

NEW YORK.

New banks established in New York, from January 1st, to October, 16th, 1847.

[Official.]

<i>Name.</i>	<i>Location.</i>	<i>County.</i>	<i>Securities.</i>
Merchants' Bank.....	Ellery.....	Chautauque Co.....	201,000
Northern Ex. "	Brasher Falls...	St. Lawrence Co.....	65,000
American "	Mayville.....	Chautauque Co.....	50,000
Franklin "	French Creek...	"	50,000
Rochester "	Rochester.....	Monroe Co.....	75,946
Atlas "	Clymer.....	Chautauque Co.....	108,000
Farmers' "	Mina.....	"	90,000
State "	Saugerties.....	Ulster Co.....	64,474
Northern "	Madrid.....	St. Lawrence Co.....	180,005
Commercial "	Albany.....	Albany Co.....	206,000
"	Friendship....	Allegany Co.....	50,000
"	Lockport.....	Niagara Co.....	50,000
Bowery "	New York.....	New York.....	215,500
Northern Canal "	N. Greenville..	Washington Co.....	50,000
McIntyre "	Achrodack....	Essex Co.....	50,000
Henry Keeps "	Watertown....	Jefferson Co.....	50,000
Pratt "	Buffalo.....	Erie Co.....	50,000
Bank of Lake Erie	"	"	63,000
Bank of Saratoga Springs	S. Springs.....	Saratoga Co.....	60,000
Bank of Bainbridge	Bainbridge.....	Chenango Co.....	100,000
Bank of Cayuga Lake	Ithaca.....	Tompkins Co.....	50,700
N. Y. Security Bank.....	Huntsville.....	Saratoga Co.....	50,000
Total state stocks pledged as security.....			\$ 2,001,625

All the banks herewith mentioned are individual banks, except the Com. Bank, Albany and Bowery Bank, New York, and consider these securities the capital. The Commercial and Bowery are associations, and the capital of each is \$ 300,000.

Amount of state stock deposited since January 1, 1847, to date, October 16, 1847, \$ 3,333,720.

The stocks of the State of New York only, are receivable as securities; but it is now proposed to add those of the United States.

BANK TAX BILL AS NOW BEFORE THE LEGISLATURE OF NEW YORK.

An act concerning the business of Banking and Taxation of Banks.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:—

§ 1. The first section of the act entitled *An Act to amend the act entitled "An Act to authorize the business of Banking, passed May 14, 1840,"* is hereby amended so as to read as follows:

The second section of the act entitled *"An Act to authorize the business of Banking, passed April 18, 1838,"* is hereby amended so as to read as follows:

Whenever any person or association of persons, formed for the purpose of Banking under the provisions of this act, shall lawfully transfer to the Comptroller any portions of the public stock issued or to be issued by this State, or by the United States, such person or association of persons shall be entitled to receive from the Comptroller an equal amount of such circulating notes of different denominations, registered and countersigned as aforesaid: but such public stock shall in all cases be, or be made to be, equal to a stock of this State producing five per cent. per annum: and it shall not be lawful for the Comptroller to take any such stock at a rate above its par value, nor above its current market value.

§ 2. All individual Banks, and all Banking associations which are now, or shall hereafter be engaged in the business of Banking under the provisions of the act entitled *"An Act to authorize the business of Banking,"* shall be subject to taxation on the full amount of the actual capital paid in, or secured to be paid in, by them severally, which in no case shall be less than the amount transferred to and held by the Comptroller as security for the redemption of circulating notes at their actual value as estimated by the Comptroller, without any reduction for the debts of any such individual banker or banking association, "and all the surplus funds accumulated by any incorporated Bank, or by any banking association or individual banker, shall be subject to taxation in the same manner as actual capital.

§ 3. This Act shall take effect immediately.

CIRCULAR OF BARING, BROTHERS & Co.—London, October 4, 1847.

The tightness in the money market continues, and the Bank of England has carried out the restrictive system still further, by fixing their minimum rate of discount at 5½ per cent. for bills not exceeding one month to run, charging 6 per cent. from one to two months, and 6½ per cent. for two and not over three months, refusing at the same time to lend upon exchequer bills or government securities. We regret to have again to report numerous and extensive failures, involving, since our last, liabilities little short of about £3,000,000 ster. including several large E. I. agency houses. These disasters have thrown a general gloom over the produce markets, and prices, with very few exceptions, have experienced a decided depression. Consols have declined, and close this afternoon at 84½ to 84¼ per cent. Exchequer bills 27s dis. The overland mail arrived 25th ult., with dates from Calcutta, to 8th August. Bombay 6th August, and Canton, 25th July. In India money market improving, and exchange at Calcutta, ruled at 1s 11½ @ 1 11½ for 6 months bills. In China, political matters were quiet; Exchange at Canton, 4s 4 @ 4s 4½.

FINANCES AND MINES OF RUSSIA.

From recent English Publications.

The exceeding prosperity of the Russian finances, and the command of ready money possessed by the *tsar** of that country as evidenced by almost simultaneous investments effected in France, Great Britain, and Prussia; has, probably more than any thing else—more, even than the mystery that envelopes its vast population, its secret struggles for a representative government, or the workings of its gigantic despotism—attracted the attention of European nations to the progress and to the future prospects of that colossal power.

The position of Russia in Europe is, indeed, one of the most important questions presented by the future. The vitality of Great Britain and of France are concerned in it as a question of influence, of preponderance, and of equilibrium; but for Germany, upon which the empire of the tsars will bear down with its whole weight, the moment that no more obstacles are met in Poland, it is a question of life and death, of independence and nationality. This threatening perspective has been more particularly made manifest of late by M. Thiers and M. de Lamartine. "Nature," says the historian of the Girondists (t. 1, p. 293, &c.,) "has granted to it an immense, but ungrateful soil, upon the globe, yet this ungrateful soil is covering itself with inhabitants, and no where, except in some parts of the United States, has the progress of the population been more remarkable."

In the time of Peter the Great, scarcely a century and a half ago, Russia

* The orthography of this word has so varied of late, as to deserve a moment's attention. Formerly it was always written *czar*; but the custom of *tzar*, or *tsar*, has been gradually gaining ground, as being the only form which truly represents the Russian pronunciation. The Poles write it *car*, but pronounce it *tsar* like the Russian, their *c* being equivalent to *ts*, not as with us to *k*. The French now write *tsar*, but pronounce it *gzar*; the Germans can only express the word by a character which has a harsh sound, composed of *t* and *s* united.

It has been pretty generally received that the word *czar* is an etymological abbreviation of the word *Cæsar*, emperor. But a fatal objection is met with to this etymology, in the old Slavonic version of the New Testament, where the title of *Cæsar*, is always represented by *Kessar* or *Kecar*, while that of *tsar* is simply given to kings.

Karamzine, the most esteemed historian of Russia, says upon this subject, "This name is not, as many persons suppose without reason, an abbreviation of the Latin *Cæsar*, but it is an old term peculiar to the Oriental languages."

It is the same word, apparently, which is met with as the final syllable attached to the names of the Assyrian and Babylonian kings, as *Phalas-sar*, *Nabonas-sar*, &c. In the Persian language, the word still represents the throne and the supreme authority. It was used by the Tatar and Mongolian khans, and by the kings of *Kasan*, *Astrakhan*, and *Siberia*. Hence it was that Huppel thinks it was derived thence, and that the Russian autocrats adopted the titles of the sovereigns whose territories they had conquered by the force of arms.

But it is to be objected to this that Muller relates that the citizens of *Pskof*, on the occasion of a deputation to Joann III, Vassilievitch, in 1477, gave this title to the prince of Moscow. In 1505, according to Karamzine, the same princes assumed no other title: and, according to Huppel himself, Joann IV assumed the title of *tsar* as early as in 1547, whereas *Kasan* was not definitively subjected till 1552, *Astrakhan* till 1557, and *Siberia* till 1582. It is, therefore, to the khans of the great Golden Horde, that we must refer the origin of this name, adopted by the princes of Moscow and the kings of Russia.

Peter the Great acknowledged the difference between *tsar* and *Cæsar*, by substituting the title of *Cesarevna* to that of *tsarevna*, which had been given, up to that period, to the royal princesses. Catherine II first adopted the title of *cesarevitch* for the heir-presumptive. This termination of *vitch* (not *witz* nor *wicz*) in the feminine *evna*, or *ovna*, is patronymic.

had only 16,000,000 souls, in the present day it has nearly 60,000,000: and it must not be supposed that this prodigious increase has been derived from new conquests, for, in the same interval, the superficies of the empire has only increased one-fourth.

The same remarkable progress has also characterized the revenues of the empire. At the death of the great tsar, the total revenue did not exceed 26,000,000*l.* sterling; at the commencement of this century it rose to 140,000,000*l.*, and it is now not less than 500,000,000 rubles. [See note, p. 279.]

These data are derived from a work just published by M. J. H. Schnitzler, the veteran statistician of the Russian empire, who, in 1829, published his celebrated "*Essai d'une Statistique Generale de l'Empire de Russie*," and who, faithful to his first attachment, after having consecrated to Russia all his youthful zeal, imposed upon himself the weighty task of studying this great subject, in all its possible ramifications and of considering it attentively under every possible aspect. The result has been a newly published "*Histoire Intime de la Russie, sous les Empereurs Alexandre et Nicolas*."

This work, although devoted to the consideration of the same period as that to which the almost simultaneously published work of the distinguished statesman Tourgueneff (M. Nicolas Tourghenief, Schnitzler calls him) refers, more especially in what concerns the crisis of 1825, still differs materially from the ex-statesman and supposed conspirator's work, inasmuch as M. Schnitzler does not admit the basis of M. Tourgueneff's argument, as opposed to the report of this commission of inquiry, that the secret societies had no concern with that ill-fated movement. M. Schnitzler argues, that the participation of Pestel, of Troubetzkoi, and others, both in the acts of secret societies and in the insurrection, attest the intimate relations that existed between the two; but he at the same time admits, that the first founders of the secret societies had no connexion with their subsequent progress and with the conspirators of 1825.

As we intend, however, to devote some space hereafter to the separate consideration of these important subjects, we shall confine ourselves, in the present instance, to one of more immediate interest, the great native resources of the precious metals, in connexion with their workings upon the financial system of the country.

Up to 1821, only two golden mines were known in Russia, of which those of Bexesof and of Kirlatof in the government of Tobolsk were the richest, about forty pounds (each of forty Russian pounds) being furnished every year. But after the discovery of the great Ural mines, where a mass of native gold of an extremely pure quality, weighing twenty-five pounds, was obtained,* the rate of produce assumed quite a new aspect.

By 1824, fifteen different mines were opened in the environs of Ekaterineburg, and they furnished an average of 206 pounds 37 lbs. In the ensuing four years this produce so far increased as to be equivalent for the whole period to upwards of 2,000,000*l.* sterling, the price of the Russian pound being taken at about 62*l.* sterling. The value of the gold washings began now to extend itself into various quarters. The district of Bogoslov, in the district of Verkhature, furnished, notwithstanding its northerly latitude, which only allowed of its being worked during a short period of the year, nearly a quarter of a pound (twenty zolotniks) out of every hundred pounds of alluvium.

It was at this period, also, that it was discovered that the gold washings of the Ural contained a considerable portion of platinum. During the years of 1824, 1825, 1826, and 1827, 54 pounds, 6 lbs., 88 zolotniks, of this valuable

* *Essai de Statistique Generale*, &c. J. H. Schnitzler.

metal were collected. It was not, however, till 1828, that Russian money began to be coined in platinum.

At this period, also, twelve different mines of silver were in operation, more especially in the Altai and in Siberia, and these furnished annually about 3000 pounds. A great quantity of gold was also obtained from the chemical solution of the silver, and this latter produce was almost a pure profit to government, as all expenses were paid by the profit made upon the original mineral as it came from the mine.

These important facts began to occupy the attention of men of science, statisticians, and geologists more especially, long before it was forced upon that of politicians, proverbially in the rear of the progress of practical science, however well versed they may be in court intrigue and international subtrefuges. Yet not only have the great metalliferous accumulations of the Ural and Altai being yearly adding to the fame of these chains, but they have also been gradually contributing to place Russia in a financial position in advance of other European nations, and they are by many believed to threaten eventually most civilized nations with important results, by changing the relative value of gold as a standard.

In Russia, as in the Brazils, it is to be observed that the great mass of the valuable metals is derived from local detritus or alluvia, usually called gold sand, which Schnitzler calls gravel, but for which, according to Sir Roderick Impey Murchison, to whom we are indebted for by far the most complete and perfect account of these deposits, the term of shingle would be much more appropriate. It is further to be observed, that with very trifling exceptions, all such auriferous detritus in the Russian empire occurs on the eastern or Siberian side of the Ural.

Already in the reign of Paul and Alexander, it had been remarked that these gold alluvia were found to extend in a certain zone to the north and south of Ekaterineburg, throughout five or six degrees of latitude, yet notwithstanding the increased exploration and many researches in the northern and southern portion of the chain, the gold extracted did not exceed at that time the annual value of from a quarter to half a million sterling. Sir R. I. Murchison adopts the latter estimate, Schnitzler the former.

The reign of the emperor Nicolas has, however, been distinguished by the important discovery, that portions of the great eastern regions of Siberia are highly auriferous, more especially the governments of Tomsk and Ieniseik, where low ridges, similarly constructed, geologically speaking, to those on the eastern flank of the Ural, and like them trending from north to south, appear as offsets from the great eastern and western chain of the Altai, which separate Siberia from China.

We derived lately a brief but graphic account from Sir George Simpson's work, of the rapid increase of population in these governments, produced by the mining colonies, and the rise of towns and cities in previously little frequented districts. It will be the less difficult to understand this rapid growth of such colonies, when it is known that these distant regions, which did not at first afford a third part of the gold that the Ural produced, by recent researches, have undergone so rapid and extraordinary an increase of produce, that in 1843 the eastern Siberian tracts alone yielded considerably upwards of two millions and a quarter sterling; raising the total gold produce of the Russian empire, according to Sir R. I. Murchison, to near *three millions sterling*.

If this great increment is sustained during a certain number of years, there can be no doubt it will ultimately reduce the standard of value. But it is by no means certain that this will be the case, and much doubt exists upon the subject even among those best qualified to form a correct opinion. Gold

alluvia being but the detritus of veins which once existed in the adjacent rocks, it might be supposed, that in piercing these rocks the miner would find more copious stores of the metal. Experience, however, has shown that such is not the fact, and to whatever cause due, it is generally found that the veins which rise from great depths in the crust of the earth, are richly auriferous towards their *upper limit only*. Hence it is that nearly the whole of the ancient surface of rocks having undergone denudation and consequent destruction, the greater quantities of gold are found in the detritus on the flanks of the hills or in the vallies between them. So long, therefore, as these alluvia are unexhausted, so long may the miner extract from them, by mere maceration and washing, the ore which would be obtained at much greater cost from the solid rock.

But these alluvia having well-defined limits and an easily ascertained extent, they may certainly be exhausted; and such has been the case in most civilized countries, in which, as in our own isles, the valuable metals were abundant in olden times, but from which they have now entirely disappeared.

It is a difficult task, however, notwithstanding this fact, to arrive at any accurate conclusions with regard to the possible duration of the productiveness of the Siberian mines. It has been most plausibly suggested that the north, and even the southern spurs of the great central Asiatic chain, may even be repeated over and over again, like so many meridian ridges, across the greater portion of the whole of the Asiatic continent, and that they may be always more or less rich in metalliferous products.

From the researches of Humboldt and his associates, we learn that rocks similar to those which are so auriferous in the Ural, re-appear in various parallels of longitude along the flanks of the Altai. Professor Hoffman also discovered, in 1843, a tract in Siberia in which the very richest gold alluvia occur in a region exclusively occupied by granite and schistous rocks.

Captain Newbold has ascertained that auriferous veins and deposits exist at various points in Hindostan, extending from north to south, and he strongly urges their further and more scientific exploration. Again we are told by Helmersson and others that some of the southern offsets from the Altai, which extended into China, are auriferous, and one of them, the Tar-Bagatia, the northern part of which is in the Russian territory, has already proved highly productive. This last fact is of very great importance, for the celestial empire, which has only just now been partially opened out to European enterprise, may very probably prove to have its own vast golden regions like Siberia.

Sir R. I. Murchison states, that in the Ural, as in the other parts of Siberia, greenstones, syenites, and serpentines appear invariably to have been the agents by which the metamorphic rocks have been rendered auriferous; now as the structure of the Taurus and its spurs, of the Amanus and the Lebanon and of the Kurdistan mountains is precisely similar, and gold grains have already been found *in situ* in the former, there is every reason to believe that there exists a very fine field for gold-searchers throughout all western Asia. In a similar manner the distinguished traveller Adolph Erman has ascertained that rocks of a similar character extend even to the Alden mountains, not far from the shores opposite Kamtschatka; they are therefore, in all probability, continued on the opposite side, and the auriferous deposits may be thus found to extend into British America.

Count Keyserling has further stated that in the auriferous region discovered by Mr. Hoffman, and which includes a district with an area larger than all France, all the subjacent rocks, when pounded up and analyzed, afford a certain per centage of gold. This diffusion of gold throughout the matrix

of rocks, does not, however, always promise well to the miner, for the expense of pounding the rock and extricating the ore is a very different and infinitely more expensive process than the washing of alluvia; nor do we feel inclined to attach any importance to this reported discovery.

Still there can be no doubt, from all the circumstances of the case, from the depth of the Siberian auriferous alluvia, the extent of countries which they occupy, and the distant regions in which they recur, that comparing the brief time since these rich resources have been brought to light, and the small number of points at which they have as yet been worked, with the length of time during which the one region of Brazil has continued to supply modern Europe with an almost undiminished quantity of gold, it would be extremely rash indeed at the present moment to attempt to set any limit to the auriferous capacity of the vast and slightly explored regions of this new El Dorado.

It is obvious that in so far as regards our own national interests, that this great augmentation in the produce of precious metals of one country over another, should be met by increased activity of research on our parts, and that by qualified persons, more especially in Hindostan, in British America, and in New South Wales; in all of which mines have recently been discovered. It is obvious also that in what regards China, that false system of succumbing to the prejudices of the people, against which we have so often animadverted, should be supplanted by active and well-supported geographical and geological researches.

But it is also to be remarked that the amount of the precious metals, or of the circulating medium, although an essential element of wealth, is by no means the sole one. It is in the amount of produce—of mines of coal, and of the useful, in opposition to the merely precious metals, of the land, of industry, of commerce, and of mind, in literature and the arts—in all, in fact, that contributes to the well-being, and comforts, and luxuries of the greater number—and in the frequent demand and quick consumption of these, that a nation's prosperity really lies. Those countries which have been most remarkable for their produce of the precious metals, as Mexico, Columbia, Peru, and Brazil, have never attained a very high degree of national wealth. Not knowing what to do with the superabundance of gold and silver, the surplus over daily expenditure, is universally gambled away throughout the new world. In our country a precisely opposite state of things is often, and has been very recently seen, where the paper representation of a certain amount of positive wealth could only obtain a lesser equivalent in the circulating medium; while, on the other hand, the failure of one branch of produce affected the value of all others, and became the source of great anxiety and embarrassment.

The Russian is naturally active and skilful as a workman, but he wants perseverance and invention; and ever since the time of Alexis Mikhailovitch, Russia has had to depend for the produce of all kinds of handicrafts and manufactures upon foreigners. The industry of the country, excepting in some of the most primitive branches, as agriculture, &c., is indeed mostly in the hands of strangers.

As it is with the arts, so it is with commerce. The Russian is a zealous dealer and an assiduous shopkeeper; but commercial enterprises are quite beyond his sphere, mercantile combinations are beyond his comprehension, and he has a horror of all hazardous speculations. Hence it is that commerce is also in the hands of strangers, nearly two-thirds of the whole maritime commerce of Russia being, according to statist, in the hands of Great Britain. Even that branch of commerce which Russia ought more particularly to make its own, that of central Asia, has, as we have shown in our

notice of De Hell's "Southern Russia," been crippled and destroyed by extraordinary fiscal prohibitions, and by the foolish ambition of introducing only their own coarse manufactures into the trans-Caucasian provinces. A good deal of mystery envelopes the Chinese trade, but from what we can gather from the latest traveller in those directions, Sir George Simpson, this does not attain a very high importance.

Still Russian commerce is decidedly making a progress. A college of commerce has been established at St. Petersburg, and many merchants have become shipowners, Mr. Brant, of Archangel being, it is said, the owner of no less than eleven vessels. The absurd social position of a merchant, by which he is placed in an inferior rank to the lowest commissioned officer—and all employees civil or military are commissioned in Russia—is also much opposed to the true interests of the country. With all these drawbacks, the total commerce of all Russia has quintupled what it was at the beginning of this century, and what is more, the exportation of the precious metals, but this could not be the case if the government investments were also included in the estimate.

The revenues of the Russian government are very inconsiderable when compared with those of some of the European governments, and the nature of the sources from whence they are derived, says M. Tourgueneff, diminishes their value. One of the chief sources from whence the public revenue is derived is the consumption of spirits, of which government (that is the tsar) has reserved the monopoly to itself. Next in importance are the customs, the evil effect of which, in the modifications of the tariff, made with a sole view to protect national industry, have even a more pernicious effect in a young country like Russia than with older nations, yet they are always ultimately injurious to both. M. Tourgueneff and M. Schnitzler both admit this fundamental principle to the beneficial operation of all commercial transactions, one in which this country has lately set so great an example to the rest of the world.

Stamps and registration taxes are very high in Russia, and bring in a good revenue to government. An oriental system of taxation, happily unknown in more civilized countries, still exists in Russia; it is the capitation tax, to which twenty-two millions and a half of the population is subjected. Property and income taxes are unknown; in Russia the poor pay for the rich. In this country, as far as human wisdom can effect that object, it is sought to make all burdens of that kind fall heaviest where less felt.

Adam Smith has said that paper money is like a highway through the air, which permits the landway to be converted into pasture. The Russian government has tried this, and in preference to effecting a loan has had several issues of paper money, but the equilibrium between the wants of the circulation and the sum in notes which was destined to meet it, found its level even before the time of Alexander, and the imperial wars entailed still further embarrassments to the Russian finances. After the peace of 1815, government began immediately to ameliorate its financial condition, and from one to two hundred millions of paper roubles were burnt to meet the depreciation in their value. Yet, notwithstanding this great reduction in the number of notes, the value of such as remained in circulation underwent a scarcely perceptible augmentation.

Before that time the silver rouble was worth four paper roubles; after the 150,000,000 of paper roubles had been withdrawn from circulation, it continued worth three roubles eighty kopecks. It was then perceived that the measure had failed, and that after a debt of 150,000,000, at six per cent., had been contracted without any return. The amount left in circulation was estimated at about 550,000,000.

An improvement has, however, been latterly effected, based upon the principles of public credit long ago adopted among the more civilized countries of Europe, and the paper money is now made to represent the same sum in precious metals in deposit, but Russia, like Austria and some other countries, wants yet to feel that paper money should, also, only represent such sums, as would be of inconvenient bulk in the metallic form. As to re-establishing an equilibrium between the paper and metallic currency, political economists appear to see no other way than coining a monetary unit, which shall be called a rouble, and which shall be represented by a paper equivalent of the same intrinsic value. It is to be observed that the introduction of platinum into Russia, for the highest coinages of the empire, gives a further advantage to the currency of that country over that of others, as it leaves more gold to be disposed of with the stranger.

But this does not throw into the hands of a government, not possessing either a very considerable or a very flourishing revenue, so much gold for disposal as the use of paper money, which always drives out to a certain extent that of the precious metals, and which has become the most common and almost the sole circulation in Russia. It is this, combined with the extraordinary produce of its metalliferous mines, which has, for the time being, placed a considerable superabundance of gold at the command of the Russian potentate.

It is evident that the application of such superabundance, to the purchase of stock in foreign countries, gives to one nation greater political power for good or evil, than if it was left to idly represent a certain paper circulation at home. Gold must, also, always be the great sinew of the severest affliction that can befall humanity—war. But to the real, industrial, and commercial prosperity of the nation, it adds but little, of which the best proof is that it is little wanted there. To the real sources of national wealth—the produce of material objects of daily demand and consumption—it adds, only as a source of employment, and a means of occupation often, however, hurtful, as withdrawing the population from pursuits at once more legitimate and more beneficial, both to the people themselves and to the country at large.

Hence it is that we do not look upon the actual mineral riches of Russia with that amount of apprehension which some learned economists have indulged in, and for the same reason where, as with us, national wealth is founded upon other resources, we cannot regard any prospective change in the monetary standard as likely to affect to any great extent, the polity of this or of other nations, as France, for example, which are similarly circumstanced.

The annual amount of the public revenue is estimated at about 380,000,000 paper rubles; of which 40,000,000 are derived from a capitation tax of 4 rubles a head on all male boors belonging to individuals, and on some descriptions of freemen; 90,000,000 from the *obrok* or rent, paid by all male boors on the crown estates; 92,000,000 from the customs' duties; 100,000,000 from the duties levied on spirits; 10,000,000 from the salt monopoly; 16,000,000 from the crown mines; 8,000,000 from a tax of 1½ per cent. on the declared capital of merchants; 8,000,000 from the seignorage on coins; 7,000,000 from stamps, licenses, and similar imposts; and 9,000,000 from miscellaneous items. The taxes are partly farmed. Of the expenditure very little is known. The national debt was officially stated to have amounted, on 29th June, 1844, to the sum of 299,862,232 silver rubles. This is, however, exclusive of the paper money in circulation, for the redemption of which the government is pledged, and which amounted, at the end of the year 1843, to 562,358,310 paper rubles. A considerable portion of the debt was contracted in Amsterdam and London. It is a curious fact that, notwithstanding the despotical nature of the government, all the provincial courts of justice consist partly of elective functionaries.—*Encyclopedia Americana*, 1847.

LEGAL MISCELLANY.

PAYMENT.

The President, Directors and Company of the Bank of the United States vs. the President, Directors and Company of the Bank of the State of Georgia. Before the Supreme Court of the United States.

A bank having received its own notes in payment, is concluded from afterwards denying their genuineness.

Mr. Justice Story delivered the opinion of the court.

This is a case of great importance in a practical view, and has been very fully argued upon its merits. The Bank of Georgia having originally issued the bank notes in question, they were, in the course of circulation, fraudulently altered, and having found their way into the Bank of the United States, the latter presented them to the former, who received them as genuine, and placed them to the general account of the Bank of the United States, as cash, by way of general deposit. The forgery was not discovered until nineteen days afterwards, upon which notice was duly given, and a tender of the notes was made to the Bank of the United States, and by them refused. Both parties are equally innocent of the fraud, and it is not disputed that the Bank of the United States were holders bona fide, for a valuable consideration. Under these circumstances, the question arises, which of the parties is to bear the loss, or, in other words, whether the plaintiffs are entitled to recover in this action, the amount of this deposit.

Some observations have been made as to the form of the action, the declaration embracing counts for the balance of an account stated, as well as for money had and received, &c. But, if the plaintiffs are entitled to recover at all, we see no objections to a recovery upon either of these counts. The sum sued for is the balance due upon the general account of the parties, and it is money had and received to the use of the plaintiffs, if the transaction entitled the plaintiffs to consider the deposit as money. It is clearly not the case of a special deposit, where the identical thing was to be restored by the defendants; the notes were paid as money upon general account, and deposited as such; so that according to the course of the business, and the understanding of the parties, the identical notes were not to be restored, but an equal amount in cash. They passed, therefore, into the general funds of the Bank of Georgia, and became the property of the bank. The action, has, therefore, assumed the proper shape, and if it is maintainable upon the merits, there is no difficulty in point of form.

We may lay out of the case, at once, all consideration of the point, how far the defendants would have been liable, if these notes had been the notes of any other bank, deposited by the plaintiffs in the Bank of Georgia, as cash. That might depend upon a variety of considerations, such as the usages of banks, and the implied contract resulting from their usual dealings with their customers, and upon the general principles of law applicable to cases of this nature. The modern authorities certainly do, in a strong manner, assert, that a payment received in forged paper, or in any base coin, is not good; and that if there be no negligence in the party, he may recover back the consideration paid for them, or sue upon his original demand. To this effect are the authorities cited at the bar, and particularly *Markle vs. Hatfield*, 2 Johns. Rep. 455; *Young vs. Adams*, 6 Mass. Rep. 182; *Jones vs. Ryde*, 5 Taunt. Rep. 488. But, without entering upon any examination

of this doctrine, it is sufficient to say, that the present is not such a case. The notes in question were not the notes of another bank, or the security of a third person, but they were received and adopted by the bank as its own genuine notes, in the most absolute and unconditional manner. They were treated as cash, and carried to the credit of the plaintiff in the same manner, and with the same general intent, as if they had been genuine notes or coin.

Many considerations of public convenience and policy would authorize a distinction between cases where a bank receives forged notes purporting to be its own, and those where it receives the notes of other banks in payment, or upon general deposit. It has the benefit of circulating its own notes as currency, and commanding thereby the public confidence. It is bound to know its own paper, and provide for its payment, and must be presumed to use all reasonable means, by private marks and otherwise, to secure itself against forgeries and impositions. In point of fact, it is well known, that every bank is in the habit of using secret marks, and peculiar characters for this purpose, and of keeping a regular register of all the notes it issues, so as to guide its own discretion as to its discounts and circulation, and to enable it to detect frauds. Its own security, not less than that of the public, requires such precautions.

Under such circumstances, the receipt by a bank of forged notes, purporting to be its own, must be deemed an adoption of them. It has the means of knowing if they are genuine; if these means are not employed, it is certainly evidence of a neglect of that duty, which the public have a right to require. And in respect to persons equally innocent, where one is bound to know and act upon his knowledge, and the other has no means of knowledge, there seems to be no reason for burdening the latter with any loss in exoneration of the former. There is nothing unconscientious in retaining the sum received from the bank in payment of such notes, which its own acts have deliberately assumed to be genuine. If this doctrine be applicable to ordinary cases, it must apply with greater strength to cases where the forgery has not been detected until after a considerable lapse of time. The holder, under such circumstances, may not be able to ascertain from whom he received them, or the situation of the other parties may be essentially changed. Proof of actual damage may not always be within his reach; and therefore to confine the remedy to cases of that sort would fall far short of the actual grievance. The law will, therefore, presume a damage actual or potential, sufficient to repel any claim against the holder. Even in relation to forged bills of third persons received in payment of a debt, there has been a qualification engrafted on the general doctrine, that the notice and return must be within a reasonable time; and any neglect will absolve the payer from responsibility.

If, indeed, we were to apply the doctrine of negligence to the present case, there are circumstances strong to show a want of due diligence and circumspection on the part of the Bank of Georgia. It appears from the statement of facts, that all the genuine notes of that bank of the denomination of one hundred dollars, in circulation at this time, were marked with the letter A; whereas twenty-three of the forged notes of one hundred dollars bore the marks of the letters B, C, and D. These facts were known to the defendants, but unknown to the plaintiffs; so that by ordinary circumspection the fraud might have been detected.

The argument against this view of the subject, derived from the fact, that the defendants have received no consideration to raise a promise to pay this sum, since the notes were forgeries, is certainly not of itself sufficient. There are many cases in the law, where the party has received no legal consideration, and yet in which, if he has paid the money, he cannot recover it back;

and in which, if he has merely promised to pay, it may be recovered of him. The first class of cases often turns upon the point, whether in good faith and conscience the money can be justly retained; in the latter, whether there has been a credit thereby given to or by a third person, whose interest may be materially affected by the transaction. So that to apply the doctrine of a want of consideration to any case, we must look to all the circumstances, and decide upon them all.

Passing from these general considerations, it is material to inquire, how, in analogous cases, the law has dealt with this matter. The present case does not, indeed, appear to have been in terms decided in any court; but if principles have been already established, which ought to govern it, then it is the duty of the court to follow out these principles on this occasion.

The case has been argued in two respects; first, as a case of payment, and, secondly, as a case of acceptance of the notes.

In respect to the first, upon the fullest examination of the facts, we are of opinion that it is a case of actual payment. We treat it, in this respect, exactly as the parties have treated it, that is, as a case where the notes have been paid and credited as cash. The notes have not been credited as notes, or as a special deposit; but the transaction is precisely the same as if the money had been first paid to the plaintiffs, and instantaneously the same money had been deposited by them. It can make no difference that the same agent is employed by both parties, the one to receive, and the other to pay and credit. Upon what principle is it, then, that the court is called upon to construe the act different from the avowed intention of the parties? It is not a case where the law construes an act done with one intent to be a different act, for the purpose of making it available in law; to do that, *cy pres*, which would be defective in its direct form. Here the parties were at liberty to treat it as they pleased, either as a payment of money, or as a credit of the notes. In either way it was a legal proceeding, effectual and perfect; and as no reason exists for a different construction, we think that the parties, by treating it as a cash deposit, must be deemed to have considered it as paid in money, and then deposited; since that is the only way in which it could legally become, or be treated as cash. Nor is there any novelty in this view of the transaction. Bank notes constitute a part of the common currency of the country, and, ordinarily, pass as money. When they are received as payment, the receipt is always given for them as money. They are a good tender as money, unless specially objected to; and, as Lord Mansfield observed, in *Miller vs. Race*, 1 Burr. Rep. 457, they are not, like bills of exchange, considered as mere securities or documents for debts. If this be true in respect to bank notes in general, it applies, *a fortiori*, to the notes of the bank which receives them; for they are then treated as money received by the bank, being the representative of so much money admitted to be in its vaults for the use of the depositor. The same view was taken of this point in the case of *Levy vs. the Bank of the United States*, 4 Dall. Rep. 234, 1 Binn. Rep. 27, where a forged check had been accepted by the bank, and carried to the credit of the plaintiff (a depositor) as cash, and upon a subsequent discovery of the fraud, the bank refused to pay the amount. The court there said, "it is our opinion, that when the check was credited to the plaintiff as cash, it was the same thing as if it had been paid; it is for the interest of the bank that it should be so taken. In the latter case, the bank would have appeared as plaintiffs; and every mistake which could have been corrected in an action by them, may be corrected in this action, and none other." The case of *Bolton vs. Richards*, 6 D. and E., 138, is not, in all its circumstances, directly in point; but there the court manifestly considered the carrying of a check to the credit of a party, was equivalent

to the transfer of so much money in the hands of the banker to his account. Considering, then, the credit in this case as a payment of the notes, the question arises, whether, after a payment, the defendants would be permitted to recover the money back; if they would not, then they have no right to retain the money, and the plaintiffs are entitled to a recovery in the present suit.

In *Price vs. Neale*, 3 Burr. Rep. 1355, there were two bills of exchange, which had been paid by the drawee, the drawer's handwriting being a forgery; one of these bills had been paid, when it became due, without acceptance; the other was duly accepted, and paid at maturity. Upon discovery of the fraud, the drawee brought an action against the holder to recover back the money so paid, both parties being admitted to be equally innocent. Lord Mansfield, after adverting to the nature of the action, which was for money had and received, in which no recovery could be had, unless it be against conscience for the defendant to retain it, and that it could not be affirmed that it was unconscientious for the defendant to retain it, he having paid a fair and valuable consideration for the bills, said, "here was no fraud, no wrong. It was incumbent upon the plaintiff to be satisfied that the bill drawn upon him was the drawer's hand, before he accepted or paid it. But it was not incumbent upon the defendant to inquire into it. There was notice given by the defendant to the plaintiff, of a bill drawn upon him, and he sends his servant to pay it, and take it up. The other bill he actually accepts, after which, the defendant, innocently and bona fide, discounts it. The plaintiff lies by for a considerable time after he has paid these bills, and then found out that they were forged. He made no objection to them at the time of paying them. Whatever neglect there was, was on his side. The defendant had actual encouragement from the plaintiff for negotiating the second bill, from the plaintiff's having, without any scruple or hesitation, paid the first; and he paid the whole value bona fide. It is a misfortune which has happened without the defendant's fault or neglect. If there was no neglect in the plaintiff, yet there is no reason to throw off the loss from one innocent man upon another innocent man. But, in this case, if there was any fault or negligence in any one, it certainly was in the plaintiff, and not in the defendant." The whole reasoning of this case applies with full force to that now before the court. In regard to the first bill, there was no new credit given by any acceptance, and the holder was in possession of it before the time it was paid or acknowledged. So that there is no pretence to allege, that there is any legal distinction between the case of a holder before or after the acceptance. Both were treated in this judgment as being in the same predicament, and entitled to the same equities. The case of *Neale vs. Price* has never since been departed from; and, in all the subsequent decisions in which it has been cited, it has had the uniform support of the court, and has been deemed a satisfactory authority. The case of *Smith vs. Mercer*, 6 Taunt. Rep. 76, was a stronger application of the principle. There, the acceptance was a forgery, and it purported to be payable at the plaintiff's, who was a banker, and paid it at maturity, to the agent of the defendant, who paid it in account with the defendant. A week afterwards the forgery was discovered, and due notice given to the defendant. But the court (Mr. Justice Chambre dissenting) decided, that the plaintiff was not entitled to recover. Two of the judges proceeded upon the ground, that the banker was bound to know the hand-writing of his customers; and that there was a want of caution and negligence on the part of the plaintiff. The chief justice, without dissenting from this ground, put it upon the narrower ground, that during the whole week the bill must be considered as paid, and if the defendant were now compelled to pay the money back, he

could not recover against the prior endorsers; so that he would sustain the whole loss from the negligence of the plaintiff. The very case occurred in the Gloucester Bank *vs.* the Salem Bank, 17 Mass. Rep. 33, where forged notes of the latter had been paid to the former, and, upon a subsequent discovery, the amount was sought to be recovered back. The authorities were there elaborately reviewed, both by the counsel and the court, and the conclusion to which the latter arrived was, that the plaintiffs were not entitled to recover, upon the ground, that by receiving and paying the notes, the plaintiffs adopted them as their own; that they were bound to examine them when offered for payment, and if they neglected to do it within a reasonable time, they could not afterwards recover from the defendants a loss occasioned by their own negligence. In that case no notice was given of the doubtful character of the notes until fifteen days after the receipt, and no actual averments of forgery until about fifty days. The notes were in a bundle when received, which had not been examined by the cashier until after a considerable time had elapsed. Much of the language of the court as to negligence, is to be referred to this circumstance. The court said, "the true rule is, that the party receiving such notes must examine them as soon as he has opportunity, and return them immediately. If he does not, he is negligent, and negligence will defeat his right of action. This principle will apply in all cases where forged notes have been received, but certainly with more strength, when the party receiving them is the one purporting to be bound to pay. For he knows better than any other whether they are his notes or not; and if he pays them, or receives them in payment, and continues silent after he has had sufficient opportunity to examine them, he should be considered as having adopted them as his own."

Against the pressure of these authorities there is not a single opposing case; and we must, therefore, conclude, that, both in England and America, the question has been supposed to be at rest. The case of *Jones vs. Ryde*, 5 Taunt. Rep. 488, is clearly distinguishable, as it ranged itself within the class of cases, where forged securities of third persons had been received in payment. *Bruce vs. Bruce*, 5 Taunt. Rep. 495, is very shortly and obscurely reported; but from what is there mentioned, as well as from the notice taken of it by Lord Chief Justice Gibbs, in *Smith vs. Mercer*, 6 Taunt. Rep. 77, it must have turned on the same distinction as *Jones vs. Ryde*, and was not governed by *Price vs. Neal*.

But if the present case is to be considered, as the defendants' counsel is most solicitous to consider it, not as a case where the notes have been paid, but as a case of credit, as cash, upon the receipt of them, it will not help the argument. In that point of view, the notes must be deemed to have been accepted by the defendants as genuine notes, and payment to have been promised accordingly. Credit was given for them, as cash, by the defendants, for nineteen days, and, during all this period, no right could exist in the plaintiffs to recover the amount against any other person, from whom they were received. By such delay, according to the doctrine of Lord Chief Justice Gibbs, in *Smith vs. Mercer*, 6 Taunt. Rep. 76, the prior holders would be discharged; and the case of the Gloucester Bank *vs.* the Salem Bank, 17 Mass. Rep. 33, adopts the same principle; so that there would be a loss produced by the negligence of the defendants. But, waiving this narrower view, we think the case may be justly placed upon the broad ground, that there was an acceptance of the notes as genuine, and that it falls directly within the authorities which govern the cases of acceptances of forged drafts. If there be any difference between them, the principle is stronger here than there; for there, the acceptor is presumed to know the drawer's signature. Here, *a fortiori*, the maker must be presumed, and is

bound to know his own notes. He cannot be heard to aver his ignorance; and when he receives notes, purporting to be his own, without objection, it is an adoption of them as his own.

The general question, as to the effect of acceptances, has repeatedly come under the consideration of the courts of common law. In the early case of *Wilkinson vs. Luteridge*, 1 Str. 648, the Lord Chief Justice considered that the acceptance of the bill was, in an action against the acceptor, a sufficient proof of the hand-writing of the drawer; but it was not conclusive. In the subsequent case of *Jenys vs. Faucler*, 2 Str. 946, the Lord Chief Justice would not suffer the acceptor to give the evidence of witnesses, that they did not believe it the drawer's hand-writing, from the danger to negotiable notes; and he strongly inclined to think that actual forgery would be no defence, because the acceptance had given the bill a credit to the endorsee. Subsequent to this was the case of *Price vs. Neal*, already commented on, in which it was thought that the acceptor ought to be conclusively bound by his acceptance. The correctness of this doctrine was recognised by Mr. Justice Buller, in *Smith vs. Chester*, 1 D. and E. 655; by Lord Kenyon, in *Barber vs. Gingell*, 3 Esp. Rep. 60, where he extended it to an implied acceptance; and by Mr. Justice Dampier, in *Bass vs. Cline*, 4 M. and Selw. 15; and it was acted upon by necessary implication by the court, in *Smith vs. Mercer*, 6 Taunt. Rep. 76. In *Levy vs. the Bank of the United States*, 1 Binn. 27, already referred to, where a forged check, drawn upon the bank, had been accepted by the latter, and carried to the credit of the plaintiff, and on the refusal of the bank afterwards to pay the amount, the suit was brought, the court expressly held the plaintiff entitled to recover, upon the ground that the acceptance concluded the defendant. The case was very strong, for the fraud was discovered a few hours only after the receipt of the check, and immediate notice given. But this was not thought in the slightest degree to vary the legal result. "Some of the cases," said the court, "decide that the acceptor is bound, because the acceptance gives a credit to the bill, &c. But the modern cases certainly notice another reason for his liability, which we think has much good sense in it, namely, that the acceptor is presumed to know the drawer's hand-writing, and by his acceptance to take this knowledge upon himself." After some research, we have not been able to find a single case, in which the general doctrine thus asserted, has been shaken, or even doubted; and the diligence of the counsel for the defendants on the present occasion, has not been more successful than our own. Considering, then, as we do, that the doctrine is well established, that the acceptor is bound to know the hand-writing of the drawer, and cannot defend himself from payment by a subsequent discovery of the forgery, we are of opinion that the present case falls directly within the same principle. We think the defendants were bound to know their own notes, and having once accepted the notes in question as their own, they are concluded by their act of adoption, and cannot be permitted to set up the defence of forgery against the plaintiffs.

It is not thought necessary to go into a consideration of other cases cited at the bar, to establish that the acceptor may show that the accepted bill was void in its origin, as made in violation of the stamp act, &c.; for all these cases admit the genuineness of the notes, and turn upon questions of another nature, of public policy, and a violation of the laws of the land. Nor are the cases applicable, in which bills have been altered after they were drawn, or of forged endorsements, for these are not facts which an acceptor is presumed to know. Nor is it deemed material to consider in what cases receipts and stated accounts may be opened for surcharge and falsification. They depend upon other principles of general application. It is sufficient

for us to declare, that we place our judgment in the present case, upon the ground, that the defendants were bound to know their own notes, and having received them without objection, they cannot now recall their assent. We think this doctrine founded on public policy and convenience; and that actual loss is not necessary to be proved, for potential loss may exist, and the law will always presume a possible loss in cases of this nature.

The remaining consideration is, whether there has been a legal waiver of the rights of the plaintiffs derived under the cash deposit, or in other words, whether they have consented to treat it as a nullity. There is nothing on which to rest such a defence, unless it is to be inferred from the letter of Mr. Early, the cashier of the Bank of the United States, under date of the 17th of March, 1819, addressed to the cashier of the Bank of Huntsville. The letter contains information of the forgery of the notes, and then proceeds, "by the person which we shall in a few days send to your place, as heretofore intimated, we will forward these altered bills for the purpose of getting you to exchange them for other money." Now, there is no evidence that this letter was ever shown to the Bank of Georgia, or its contents ever brought to the cognizance of its officers. It states no agreement to take back the notes, or to transmit them on account of the Bank of the United States, to Huntsville. For aught that appears, the intention may have been to transmit them on account of the Bank of Georgia, under the expectation that the latter might desire it. But what is almost conclusive on this point is, that on the same day the Bank of Georgia had made a tender of the notes to the plaintiffs, which had been refused. This is wholly inconsistent with the notion that they had agreed to take them back, or to treat the previous credit as a nullity. Assuming, therefore, that the cashier had a general or special authority for the purpose of extinguishing the rights of the plaintiffs, growing out of the prior transactions (which is not established in proof,) it is sufficient to say, that it is not shown that he exercised such an authority. And the case of *Levy vs. the Bank of the United States* affords a very strong argument, that a waiver, without some new consideration, upon a sudden disclosure and under a mistake of legal rights, ought not to be conclusive to the prejudice of the party, where, upon further reflection, he refuses to acquiesce in it. The subsequent letter of the 25th of March, demonstrates, that the intention of waiving the rights of the bank, if ever entertained, had been at that time entirely abandoned.

The letter from the Huntsville Bank, of the 4th of May, cannot vary the legal result. What might be the rights of the plaintiffs against that bank, in case of an unsuccessful issue of the present cause, it is unnecessary to determine. The contract, whatever it may be, is *res inter alios acta*, from which the defendants cannot, and ought not to derive any advantage.

It only remains to add, that if the plaintiffs are entitled to recover the principal, they are entitled to interest from the time of instituting the suit.

Upon the whole, it is the opinion of the court, that the Circuit Court erred in refusing the first and third instructions prayed for by the plaintiffs; and for these errors the judgment must be reversed, with directions to award a *venire facias de novo*. On the second instruction asked by the plaintiffs, it is unnecessary to express any opinion.

Judgment reversed accordingly.

Remarks upon the preceding Case.

From Holcombe's "Leading Cases in Commercial Law." Cincinnati, 1847.

Besides the cases cited by Mr. Justice Story, in his opinion, the question arising in this case has been discussed, and the same rule established in

Vermont and South Carolina. In Vermont, it arose in the case of the Bank of St. Albans *vs.* Farmers and Mechanics' Bank, 10 Verm. 141. A check upon the Bank of St. Albans was presented to the defendants, and paid by them. The latter then sent the check to the Bank of St. Albans, with direction to place the amount to their credit, which was done. The check having been subsequently discovered to be a forgery, the question arose as to the liability of the Farmers and Mechanics' Bank to refund the amount. Judge Phelps delivered the opinion of the court. "I am for myself fully satisfied from the cases of *Bree vs. Holbach*, Doug. 654, and *Price vs. Neale*, Burr. 1354, that Lord Mansfield entertained the opinion, that there was no remedy against a person who should innocently put off a forged security; but that to enable the receiver to maintain an action in such case, something like fraud or *mala fides* must appear, or at least some culpable negligence on the part of the person putting off the security. He seems to have held that if both parties are equally innocent, there is no ground in equity for transferring the loss from one to the other.

"It must, however, be admitted that at this day such is not the law; but, on the contrary, it seems now to be well settled that a person, on giving a security in payment, or procuring it to be discounted, vouches for its genuineness. This rule, however, has never to our knowledge been extended to the case where the party when receiving or discounting the paper is presumed, from his relation to it, to have the means of correct knowledge as to its genuineness, or where it has been kept for an unreasonable time, without notice to the other party of its spurious character. The acceptor of a bill is holden to pay it, although the name of the drawer may be forged; and it is for this reason that in an action against him the hand-writing of the drawer need not be proved. The case of *Price vs. Neale* is now understood to have proceeded upon the ground, that the drawee is bound to know the hand-writing of his correspondent; and thus understood, its authority has never been questioned. It has often been commented upon, both in the English courts and those of this country, and although its applicability to the transfer of a forged security between persons, not parties to it, has been questioned, yet its authority as applied to the case of such a bill, accepted or paid by the drawee, has been uniformly and fully sustained. That the rule there adopted extends as well to the case of a bill paid upon presentment, as to one accepted and afterwards circulated, appears not only from the case itself, but from subsequent decisions, in which it has been approved.

"There is good reason for the distinction upon which the authority of that case rests to be found in the intrinsic character of the transaction itself. The presentment of a bill to the drawee is a direct appeal to him to sanction or repudiate it. It is an inquiry as to its genuineness, addressed to the person who of all men is supposed best able to answer it, and whose decision is most satisfactory. He is moreover the person to whom the bill itself points, as the legitimate source of information to others, and if he were permitted to dishonor a bill after having once honored it, the very foundation of confidence in commercial paper would be shaken. There is a wide difference between such a transaction and the passing of paper as a representative of money between persons equally strangers to it, in the ordinary course of business. In the latter case the receiver relies in a measure upon the paper, while in the former the case is reversed, and the holder relies, and has a right to rely, upon the decision of him to whom the bill is addressed, and who alone is to determine whether it shall be honored or not.

"The same rule holds as to bank checks and bank notes, and for precisely the same reasons. On this point I deem it unnecessary to cite authority. The cases are collected and reviewed by Mr. J. Story, in the case of the Bank of Georgia *ats.* the Bank of the United States, to which I may refer as

abundantly satisfactory." The judge then proceeds to examine the facts of the case before him, and upon the reasoning which has been quoted holds, that the plaintiffs have no right to recover.

The principle was carried still further in the case of *Hull vs. the Bank of South Carolina*, Dudley Law Rep. 259. The bank had paid to Hull a check of one Hopton, for \$78 00, under an impression that he had funds in the bank to that amount. On the next evening, this was discovered to be a mistake, and notice thereof given to the defendant. The question was as to the right of the bank to recover back the amount. Judge Butler, delivering the opinion of the court, says: "This question is to be decided rather by authority than any general reasoning. No part of a commercial community is more interested in commercial usages than banks, and they cannot complain when they are required strictly to conform to them. They cannot always guard against fraud and imposition, but they may against mistakes depending on an inspection of their own books and accounts. Mistakes may be prevented which cannot be remedied. They accepted and paid the check presented by the defendant, for and on account of Hopton, the drawer, whose money they had kept for his convenience and accommodation. The privity of contract was between them and their customer, Hopton, and not between them and one who may have happened in the course of dealing to present a check drawn by Hopton. In the case of *Levy vs. the U. S. Bank*, 4 Dallas, 234, the plaintiff presented a bill of exchange: the bank gave the plaintiff credit on the books, believing the bill to be genuine; the bill turned out to be a forgery, and the bank cancelled the credit; the plaintiff, however, contended that he was entitled to recover the money, because the bank had duly accepted the papers, and done that which was equivalent to payment. The principal difficulty in the case was, whether the credit in the books amounted to payment, and it was held by the court that it did, and the plaintiff recovered. It seemed to have been conceded that if the bank had paid the money, there was no doubt of Levy's right to retain it. In the case of *Price vs. Neale*, 3 Burr. 1354, the defendant accepted a forged bill; Lord Mansfield said it was an established principle that when once the drawee of a bill had accepted it, he could not refuse to pay; or once having paid it, could not recover it back; unless there was fraud on the part of the endorser who had procured the acceptance. And in *Jeneys vs. Fowler*, 2 Strange, 946, it was held that after a bill has been accepted, it is not necessary to prove the handwriting of the drawer, for the acceptor was liable to the payee. The question in the above case arose on bills of exchange, and it is attempted to distinguish them from bank checks. But a bank check has all the characteristics of a bill of exchange, and cannot be distinguished from it. Indeed they not only perform all the offices of bills, but are more generally used for the transfer and payment of money. They are mercantile agents which should not be crippled in their daily and hourly operations. Before one reaches the bank after it has been drawn, it may have paid and discharged many debts, and after it has been accepted and paid, all the intervening holders are in general discharged from all liability to the bank; it becomes then a transaction between the bank and the drawer; the bank not unfrequently paying money on the checks of the drawer when he has no deposit. In a note in 1 Camp. 425, checks and bills are put upon the same footing; and it seems to be clearly settled that a check once credited in the books of a bank is an acceptance, and subjects the acceptor to payment; and that when the check has been actually dishonored, the bank must look to the drawee for redress, and not the payee; 6 East. 199; *Locke vs. Masterman*, 17, E. C. L. R. 517. If, however, the defendant by fraudulent contrivance procured the check to be drawn, and obtained payment of it under false pretences, or wilfully suppressed the truth where he should have told it, he might be liable."

BILLS OF EXCHANGE—DAMAGES.

The Bank of the United States, Plaintiff in error v. The United States.

Before the Supreme Court of the United States, January Term, 1844.

By a treaty between the United States and France, the latter agreed to pay to the former a certain sum of money, the first instalment of which became due on the second of February, 1833.

The secretary of the treasury, under a power conferred by Congress, drew a bill of exchange upon the French government, which was purchased by the Bank of the United States.

Not being paid, upon presentation, it was protested and immediately taken up by bankers in Paris, for the honor of the bank.

The bill is not liable to objection as being drawn upon a particular fund.

The United States, as drawers, are responsible to the bank for fifteen per cent. damages under a statute of Maryland, which allows that amount to the holder of a foreign protested bill.

When the bankers in Paris took it up and charged the amount of the bill to the bank, in their account with it, the bank became thereby remitted to its original character as holder and payee.

Under the law merchant, the drawer of a foreign bill of exchange is liable, in case of protest, for costs and other incidental charges, and also for re-exchange, whether direct or circuitous. The statute of Maryland, allowing fifteen per cent., fixes this in lieu of re-exchange, to obviate the difficulty of proving the price of re-exchange.

When the bank came into possession of the bill, upon its return, the endorsements were in effect stricken out, and the bank became, in a commercial and legal sense, the holder of the bill.

This case was brought up by writ of error from the Circuit Court of the U. S. for the district of Pennsylvania.—The facts in the case were these :

By the second article of the Convention of 4th of July, 1831, between the United States and France, which was ratified on 2d of February, 1832, 25,000,000 of francs, with interest at the rate of four per cent. per annum, were payable, at Paris, in six annual instalments, into the hands of such person or persons as should be authorized by the government of the United States to receive it, the first instalment to be paid at the expiration of one year next following the exchange of the ratifications. It was further agreed, however, by the treaty, that the sum of 1,500,000 francs should be reserved by France for purposes therein stated.

On the 13th of July, 1832, Congress passed an act by which it was made the duty of the secretary of the treasury to cause the several instalments, with the interest thereon, payable to the United States in virtue of the said convention, to be received from the French government and transferred to the United States in such manner as he might deem best, and the nett proceeds thereof to be paid into the treasury.

In October and November, 1832, and January, 1833, a correspondence took place between Louis McLane, secretary of the treasury, and Nicholas Biddle, president of the Bank of the United States, upon the best means of transferring to the United States the first instalment, which would become due on the 2d of February, 1833. Mr. Biddle offered to purchase the bill at the rate of five francs thirty-two and a half centimes to the dollar, which would have yielded to the government \$912,050 77, but this offer was declined by the secretary. Subsequently, on the 30th of January, 1833, a negotiation was concluded at the rate of exchange of five francs thirty-seven and a half centimes to the dollar, and the following bill was drawn :

[L. s.]

*Treasury Department of the United States,
Washington, February 7th, 1833.*

Sir,—I have the honor to request, that at the sight of this, my first bill of exchange, (the second and third of the same tenor and date, unpaid,) you

will be pleased to pay to the order of Samuel Jaudon, cashier of the Bank of the United States, the sum of 4,856,666 francs and 66 centimes; which includes the sum of \$3,916,666 66, being the amount of the first instalment to be paid to the United States under the convention concluded between the United States and France, on the 4th of July, 1831, (after deducting the amount of the first instalment to be reserved to France, under the said convention,) and the additional sum of 940,000 francs, being one year's interest at four per cent. on all the instalments payable to the United States, from the day of the exchange of the ratifications to the 2d of February, 1833.

I have the honor to be, with great respect, your
obedient servant,

Signed LOUIS McLANE.

M. Humann,

Minister and Secretary of State for the Department of Finance, Paris.

E. 2682—Mem.

Total amount of indemnity payable to the United States,	25,000,000 00
Less amount of indemnity to be reserved to France,	1,500,000 00
	<hr/> 23,500,000 00
1 year's interest from 2d Feb. 1832, to 2d Feb. 1833,	
at four per cent.	940,000 00
First instalment payable to the United States,	3,916,666 66
	<hr/> 4,856,666 66
Amount of the bill,	

This bill was purchased by the Bank of the United States on the 11th of February, 1833, at the above-mentioned rate of exchange of five francs and thirty-seven and a half centimes to the dollar, and the amount of \$903,365 89 cents carried to the credit of the treasurer of the United States, which sum was increased on the 9th of March, by adding \$200 for a short credit given, thus making altogether the sum of \$903,565 89 cents.

The bill was accompanied by a power from the President of the United States, authorizing Samuel Jaudon to receive the amount of the bill, and to give full receipt and acquittance to the government of France.

The bill was endorsed:

Pay to the order of Messrs. Baring, Brothers and Co., of London.
(Signed,) S. JAUDON,

Cashier of the Bank of the United States.

Pay to the order of N. M. Rothschild, Esq., value received.
(Signed,) BARING, BROTHERS and Co.

London, 19th March, 1833.

Pay to Messrs. De Rothschild, Brothers, or to their order, value in account.
(Signed,) N. M. ROTHSCHILD.

London, 19th March, 1833.

It was presented for payment on the 22d of March, 1833, at the office of M. Humann, the laws of France not allowing any days of grace. The answer of the cashier of the central money-chest of the public treasury was, "that having had the orders of the minister, secretary of state for the department of finance, he was instructed to say that diplomatic treaties, which impose engagements on the French treasury to be discharged, do not become obligatory upon it until the Chambers have sanctioned the financial

dispositions which are therein embraced. Therefore, the treaty concluded with the United States, not being yet sanctioned by the legislature, the minister of finance cannot at present make any payment to avail upon the obligations contracted by the said treaty."

The notary further states, that immediately after the protest Messrs. Hottinguer and Co., bankers, intervened for the account of Mr. Samuel Jaudon, cashier of the Bank of the United States, and agreed to pay the amount of the bill and costs.

On the 30th of March, 1833, Hottinguer and Co. made up the following account against the bank.

Statement of the payment and charges made by Hottinguer and Co., of Paris, on a bill of 4,856,666 66, drawn by the secretary of the treasury of the United States upon M. Humann, minister of finance, protested for non-payment, and which they paid for the honor of the signature and for account of S. Jaudon, cashier of the Bank of the United States of America.

F. 4,856,666 66 amount of the bill.
24,283 33 commission half per cent.

F. 4,880,949 99

3,399 90 stamp. 27 65 protest and translation. 14 45 second and third of protest and legalization. 35 00 paid to American consul at Havre, expenses for the document to be copied upon his books.—F. 4,884,427 99.

Say four million eight hundred and eighty-four thousand four hundred and twenty-seven francs and ninety-nine centimes, which we place to the debit of the Bank of the United States, due 22d March, 1833.

Paris, 30th March, 1833. Errors excepted. HOTTINGUER.

On the 26th of April, 1833, the bank received information of the fate of the bill, and on the same day informed the secretary of the treasury that they would hold him responsible for principal, interest, costs, damages, and exchange.

On the 13th of May, 1833, the bank forwarded to the secretary the following account :

Bank of the United States, May 13, 1833.

Account of return, with protest for non-payment, of a bill of exchange drawn by Louis McLane, secretary of the treasury, dated Treasury Department of the United States, Washington, February 7th, 1833, at sight, to the order of Samuel Jaudon, cashier of the Bank of the United States, on M. Humann, minister and secretary of state for the Department of Finance, Paris :

Principal due, March 22, 1833,	fr. 4,856,666 66
Costs of protest, as per Messrs. Hottinguer and Co's account of charges herewith, exclusive of their commission, which is covered by the damages charged below,	3,478 00
	<hr/> 4,860,144 66
Interest from March 22d (the date of protest,) to May 13th, fifty-two days	42,121 25
Damages on fr. 4,856,666 66 at 15 per cent.	728,500 00
	<hr/> 5,630,765 91
Francs,	

Which, at 5 30, the current rate of exchange for a bill, at sight, on Paris, is \$1,062,408 66, due in cash this day, with interest until paid.

On the 16th of May, 1833, the secretary replied that the proceeds of the bill had not been brought into the treasury by warrant, and therefore he had it in his power to return the amount immediately to the bank; which was accordingly done, and on the 18th of May the bank debited the United States upon its books with the sum of \$903,565 89, being the exact sum for which the bill had been bought.

On the 24th of May, 1833, the attorney-general of the United States addressed the following letter to the secretary of the treasury :

Attorney-General's Office, May 24, 1833.

Sir—I have carefully examined the claims presented by the Bank of the United States, on account of the protest of the bill of exchange drawn by you on the French government for the first instalment and interest due the United States, under the convention with France of July 4, 1831.

The account stated by the bank, if supported by proper vouchers, appears to be correct, with the exception of the claim of fifteen per cent. damages on the amount of the bill. This item, in my opinion, has no foundation in law or in equity, and ought not to be paid by the government. The bank is entitled to indemnity, and to nothing more.

I will take another occasion to state to you the reasons on which my opinion is formed, and

Am very respectfully, your obedient servant,

(Signed,)

R. B. TANEY.

To the Secretary of the Treasury.

On the 7th of July, 1834, the bank declared a dividend of three and a half per cent. on its capital stock, which, upon 66,692 shares held by the United States, amounted to \$233,422.

On the 10th of April, 1835, the secretary of the treasury drew upon the bank for the difference between this sum and the amount which the bank claimed to hold for the purpose of paying itself the damages on the protested bill, being as follows :

Amount of dividend,	\$233,422 00
Claimed by the bank on that day,	170,041 18

Amount drawn for by secretary of the treasury,	\$63,380 82
--	-------------

On the 29th of July, 1837, the first auditor of the treasury stated an account with the bank, in which he sanctioned the principle of all the claims of the bank, except that for fifteen per cent. damages, saying that the costs and charges for stamp, protest, &c., together with the charge of Hottinguer for commission, were disallowed "for want of vouchers merely," but, if properly vouched, would be admissible.

The United States brought a suit against the bank on the second of March, 1838, for the withheld portion of the dividend, being \$170,041 18, with interest. The bank claimed a set-off as follows :

Amount claimed in letter of 13th May, 1833,	\$1,062,408 66
Refunded by the United States,	903,565 89

Amount of set-off,	\$158,842 77
--------------------	--------------

with interest from 13th of May, 1833.

The bill having been drawn in that part of the District of Columbia where the laws of Maryland, anterior to the cession, were in force, the following statute of that state, a knowledge of which is necessary to understand the points raised in the bill of exceptions, is transcribed :

"November, 1785.—Chap. 38.

"An act ascertaining what shall be recovered on protested bills of exchange, and to repeal an act of assembly therein mentioned.

"Be it enacted by the General Assembly of Maryland, That upon all bills of exchange hereafter drawn in this state on any person, corporation, company, or society, in any foreign country, and regularly protested, the owner, or holder of such bill, or the person or persons, company, society, or corporation, entitled to the same, shall have a right to receive and recover so much current money as will purchase a good bill of exchange of the same time of payment, and upon the same place, at the current exchange of such bills, and also fifteen per cent. damages upon the value of the principal sum mentioned in such bill, and costs of protest, together with legal interest upon the value of the principal sum mentioned in such bill from the time of protest, until the principal and damages are paid and satisfied: and if any endorser of such bill shall pay to the holder, or the person or persons, company, society, or corporation, entitled to the same, the value of the principal, and the damages and interest as aforesaid, such endorser shall have a right to receive and recover the sum paid, with legal interest upon the same, from the drawer, or any other person or persons, company, society, or corporation, liable to such endorser upon such bill of exchange."

The court, after instructing the jury that the case was to be governed, in respect to the set-off or credit claimed by defendants, by the enactments of the said statute of Maryland; and that if they had been the holders of the said bill at the time of its protest, they would, under the said statute, have been entitled to the set-off or credit claimed—the damages being, in such case, made by the provisions of the said statute a part of the debt as much as the principal, to which they were admitted to be entitled—proceeded further to instruct the jury, that by the endorsements and protest given in evidence, defendants did not appear to have been such holders of said bill at the time of its protest; that their position was that of endorsers, who had taken it up or paid it; and that whether they had so paid it in the place where it was payable or elsewhere, they could not sustain their claim to the damages in question, unless by proof that they had themselves paid such damages to the holder of the bill; and that the verdict on this point ought to be in favor of the plaintiff.

Whereupon the counsel for the defendants excepted to the opinion of the court.

The jury found for the plaintiffs, and assessed the damages at \$251,243 54.

The case came up to the Supreme Court of the U. States upon the exception just recited, and was argued by *Cadwallader* and *Sergeant*, for the plaintiffs in error, and *Nelson*, (attorney general) for the defendant in error.

Cadwallader, for the plaintiffs in error.

Since the bill was drawn, and even since the suit was brought, this court has settled many of the questions intended originally to be raised on the trial.

The last of these decisions was that in 15 Peters, 391, which took place in the interval between the institution of the suit and the trial, where the court decided that "where the United States become a party to drafts, they were under all the liabilities of private individuals."

The only two questions in the case are, therefore,

1. Whether, under the statute of Maryland, a private drawer would be answerable, on the bill in question; and
2. Whether, if so, there is any thing in the relation existing between the parties to divest this responsibility.

1. We contend that the defendants below were within the description of "owner or holder of the bill or party entitled to it," mentioned in the first

clause of the statute, and not within that of endorser, in the latter clause. To entitle a party to the benefit of the first clause, it is not necessary that he should have been holder at the time of protest; but, nevertheless, the defendants below were, in fact, holders of the bill at the time of protest, through the intervention of their agent, who, at that time, interposed, for their account, and took up the bill at the place where it was payable.

The fifteen per cent. is not well named, when it is called "damages." It is not a penalty, but as much a part of the transaction as re-exchange, certainly not unliquidated because it can be easily calculated. It was described, in the court below, as a penalty to punish delinquency or insure punctuality; but it is really intended to mitigate the rigor of law against a drawer. Re-exchange would often be ruinous, and particularly with the colonies. The explanation of re-exchange is given in Story on Bills, 401. The holder has a right to draw for the amount of the bill, and must do it in the same way that the bill came. It is often circuitous. The general course of exchange is often so between two countries, and sometimes the circuitry is casual. All the colonial statutes were to limit the amount for which a drawer should be held responsible, and did not intend to inflict a penalty.

The rate of these damages varies; it is not the same between England and the West Indies that it is between England and the East Indies. Chitty, 668; Story, sect. 408; Beawes on Bills, 610.

Damages were fixed in lieu of re-exchange. 6 Cranch, 221; 6 Mass. 157, 161.

The history of Maryland legislation shows that it was intended for the benefit of the drawer, by limiting the responsibility which he would have been otherwise under. Acts of 1676 and 1678 say "the party shall not be allowed more than," &c. So the acts of 1692, 1699, 1704, 1706, and 1715. The act of 1715 is found in Bacon's Laws, the others were read from MS. copies.

The French Code of Commerce, 183, art. 445, edition of 1814, says that damages are a compensation for the circuitous transmission of a bill. Great injury is sustained by taking funds provided for other purposes, and being obliged to take up a protested bill. 3 Marshall, 184; John H. Piatt's case, in 19 State Papers, 734.

In the latter case, an act of congress of 1820 referred it to the second comptroller. In 1823, it came before congress again, and a committee reported upon it. Pp. 894, 904. The report says equitable principles require damages to follow protested bills. Piatt had not paid damages, "but this is a question never asked; the fact of protest is sufficient."

Damages cannot be sued for separately. 4 Harris and Johnson, 240.

In Ambler, 672, Lord Camden says, "the twenty per cent. is a part of the original contract." See also, 2 Campb. 445; 12 East, 420; 8 Watts, 546; Story, sect. 398, note; 1 Lutw. 885; 7 Term R. 570, 577; 4 Barn. and Cres. 445.

The argument on the other side is, that the endorser who pays is not a holder under the statute; but this is contrary to the general law; and the object of the statute was to give indemnity to any sufferer.

If an endorser, or his agent for his honor, takes it up *supra protest*, he becomes the holder. Thus full effect is given to the whole act. The argument on the other side requires an interpolation of the words "time of protest." By providing for the case of an endorser who has paid damages, the statute intends an action on the bill; but it does not restrain an endorser who has become holder without paying damages, because the whole statute is enlarging. In this case, the ownership was resumed at the time of protest.

An endorser who paid the bill could not, without the statute, recover any

thing except the amount of the bill and the damages; but the statute gives him interest also. It is, therefore, an enabling statute. At the time of the act it was doubtful what an endorser could recover; 2 Durnf. and East, 100. Two years after the Maryland act says there had been doubt. See also 1 Hen. Bla. 640; 4 Durnf. and East, 714; 3 East, 82, 177; 6 Barn. and Cres. 439.

According to the construction which the other side put upon the statute, the case of an endorser who pays the bill without damages is not provided for, unless by implication. And even the implication cannot stand unless by insertion of the words "time of protest."

But the bank had made provision abroad. If a former holder of the bill here, from alarm that it might not be paid, sends his money abroad, he is as much out of funds as a foreign holder would be.

A payment *supra protest*, for the honor of a name upon the bill, is an exception to the general law of agent or substitution, which is that one person cannot become agent for another without his consent. And this is not only a case of payment *supra protest*, but with funds. See 5 Whart. 189; Pothier, 171; Chitty on Bills, 543; French Code of Commerce, 158; 10 Merlin Repertoire Universelle de Jurisprudence, 74 b, tit. Lettre et billet de change; 1 Espinasse, 113, criticised and explained in Story on Bills, sect. 124, note; Beawes, 54, 570; 1 Lutw. 896, 899.

A party, therefore, paying a bill, with or without funds, becomes a holder under the Maryland law.

The law of Maryland must govern this case. 6 Cranch, 224; Story on Bills, sect. 153; Story on Conflict of Laws, 307-317; 12 Peters, 524.

The United States must rest on the same obligations as a private drawer when a bill is drawn by an authorized agent. Congress call this a bill. When they settle with the bank it is called a bill of exchange. 4 Story's Laws, 2556, act of 3d March, 1837.

It is so on its face, and in its nature; subject to the same rules, because it was drawn to save freight, insurance, &c. The secretary had a discretion under the act of congress how to transfer the money. The bank was bound by its charter to transfer the money of the government without exchange, within the United States; of course, on a foreign transaction, exchange would be charged. The secretary sold the bill, and preferred that mode to having it collected. 5 Wheat. 288.

The bank gave the government credit on its books, which is equivalent to payment. 1 Howard, 239; 3 Bro. Chan. Rep. 433.

Nelson, attorney general, for the defendant in error.

The objection to the form of action, which was raised in the court below, is understood to be waived. It is unnecessary, therefore, to argue it.

The damages upon this bill were claimed by the bank by the way of set-off, when sued by the government for the dividend due upon its stock; and were claimed, not upon general principles, but under the statute of Maryland. The only question is the construction of that act.

There are four objections to allowing the bank these damages.

1. That the bank, through its agent, having paid no damages, can receive none, and such was the opinion of the court below.

2. That the instrument is not a bill of exchange within the meaning of the act of 1785.

3. Supposing the bank to have been the holder, and the instrument to be a bill, still the United States, as a sovereign power, are not bound by the penalties of the act.

4. That the relations existing between the parties, and understood by them, were such as to exclude the idea of damages.

1. By the general law-merchant, the holder of a protested bill is entitled to reimbursement or indemnity, the standard of which is interest, expenses, and re-exchange.

In many places, by statute or usage, damages are allowed, differing in amount; and given, in some cases, in lieu of re-exchange, costs, and interest. The effect is, to dispense with proof of all these things and facilitate adjustment. Sometimes a penalty is superadded.

The statute says the holder shall receive as much money as will purchase a new bill. This is just the definition of re-exchange. Story on Bills, sect. 400. The Maryland bar was celebrated at the time when this statute was passed; and no doubt it was carefully prepared. The definition of re-exchange is "the purchase of a bill on the country where the drawer of the protested bill lives." The statute adopts this in effect, because, although it directs the new bill to be purchased in the country where the drawer of the old bill lives, instead of the country upon which the old bill was drawn, yet the same amount of money would have to be paid in both cases. The statute then provides for re-exchange, for costs, and for interest. But these together constitute indemnity. What is the fifteen per cent. which is then added? It must be a penalty.

The old statutes of Maryland which have been read show this. For example, the act of 1704 says there shall not be allowed more than twenty per cent. more than the principal sum and costs. The act of 1708 says ten per cent. more than the sum and costs. Under these statutes, the amount of damages was required to be proved, because it was left uncertain. The act of 1785 adopts a new principle, by providing indemnity and fifteen per cent. damages. The amount of damages and the rules being thus fixed, a party who claims the one must bring himself within the other.

Rothschild was the holder of the bill. It was in his possession by regular endorsement. Suppose he had omitted to cause it to be protested. He could have recovered damages from nobody, because he would not have brought himself within the terms of the act. And the endorser must bring himself within its operation also. How? By paying the damages to the holder or some subsequent endorser, to whom he was responsible. The statute provides damages for this class of endorsers only. But the bank, having paid no damages, does not belong to this class, and is therefore not within the statute at all. At the time of protest, it is clear that the bank was not the "owner or holder" of the bill; nor was it at any time afterwards within the protected class of endorsers. The reason of the distinction is manifest. An endorser who had parted with the bill and received value for it was put to no inconvenience by the protest, and therefore had no claim upon the drawer for damages. His claim only began, in reason, when he was himself called upon to pay damages.

It is said by the other side, that the "owner or holder" means also an endorser. But the act does not say "those who may become entitled to the bill," but uses language indicating existing ownership; existing at the time of protest. The second clause of the act says, "and if any endorser of such bill shall pay to the holder," &c., making a clear distinction between the two classes of persons. How then can they be confounded, and an endorser be allowed to claim as a holder? To sustain the construction of the other side, the word "endorser" must be interpolated in the first clause. That the ownership must exist at the time of protest is clear, from the language of the statute: "That upon all bills of exchange hereafter drawn in this state on any person, corporation, company, or society, in any foreign country and regularly protested, the owner or holder of such bill," &c. *Such bill; what bill; One that is regularly protested.* The ownership is placed in juxtapo-

sition with the description. He must have been the owner or holder of the bill when it underwent this ceremony.

As to endorsers, the statute introduces no new principle. By the general law-merchant, no endorser can receive damages from the drawer unless he has himself paid them. 3 Kent's Commentaries, 115; 3 Washington's Rep. 310.

It has been said that the object of the second clause was to provide a new remedy for an endorser. But was it? What were his rights before? If Jaudon had been sued in London on this bill, he would have been liable by the English law, for the bank was as much liable for damages as the drawer. If the bank had paid all this, the drawer would have been liable, independently of the statute, because the drawer would have to replace the bill and expenses.

The statute, therefore, gives the endorser no new remedy.

The bank was an endorser at the time of protest, and must remain so; it cannot shift its position and become a holder. The bill was paid for the honor of an endorser after protest; the only effect of which is to make the payer an endorsee of the bill, and protect the endorser, for whose credit it is taken up, from damages. 1 Espinasse Rep. 113.

2. This is not a bill within the meaning of the act, because it was drawn upon a particular fund. Story on Bills, sect. 55, 56. A general bill must be drawn upon the general credit of the party. 2 Lord Raym. 1681; 2 Strange, 1211; 5 Espinasse Rep. 247; 2 Kent's Com. 74, 75, 76; 2 Wharton, 233. The act of 1785 only applies to general bills. Here it was drawn upon a particular fund and payable at the pleasure of the French government, because no appropriation had been made by that government for it. It was payable, too, out of the fund provided by the treaty.

3. The United States, as a sovereign power, are not bound by the penalties of an act.

It is settled in England that the government is not bound by a statute unless named. If the state of Maryland was not, then the United States are not. 5 Co. Rep. 14 b; 11 Co. Rep. 74.

Is it possible that Maryland could have intended to provide against her drawing bills as a sovereign, which would not be paid? Her courts have uniformly construed her laws according to the position just laid down; 3 Har. and McHenry, 171.

The question in the above case was this: Under the act of 1785, chap. 80, sect. 7, no creditor was entitled to priority in the division of an intestate estate. But the state claimed a preference; and the court said she was entitled to *jura regalia*. Not being named, she was not embraced within the act. 1 Har. and Johns. 417; 6 Gill and Johns. 226.

4. The correspondence shows that the bank knew that the government was acting merely as an agent for the claimants under the French treaty; that it was but a trustee. The money to be received was not intended to belong to the treasury of the United States, but to be distributed amongst its owners. The only object of all parties was to transfer the money from France to the United States.

Sergeant, in reply.

The bill, being drawn in Maryland, is to be governed by the law of Maryland, so far as concerns the drawer. The endorser might be subject to a different rule, having endorsed the bill in Pennsylvania, where the damages are twenty per cent. How the matter would have stood, if the bank had been compelled to pay the twenty per cent. it is not material to inquire.

What is the law of Maryland? There are six acts of Assembly prior to the act of 1785, on the subject of damages. They all have one title, and

they are all restrictive in their terms, that is to say, they restrain or limit the amount of damages by negative words. The first act, made between 1676 and 1678, was nearly, if not exactly the form of expression which is followed in the five subsequent acts.

The act of 1785 is of the same character. They are *in pari materia*. Besides, the act of 1785 has the same title, and being made to repeal and supply the prior acts, it must have the same purpose.

These acts assume, and conclusively show, that there was a right to damages before, which they restrain, and fix at a certain per centage. This per centage is not damages given; they existed before. The acts only furnish a rule for computing them. But they are still damages.

He then argued

1. That damages were payable by the law-merchant, in all cases of dishonored foreign bills of exchange.

2. That these damages were payable by contract, as a part of the contract, and were capable of being ascertained, but only in each particular case.

3. That they have been fixed in some places and trades by usage, and in others by law, but they are still due by contract, and in no respect different from the damages payable by the general law-merchant, except that a rule is established for computing or "ascertaining" them.

1. He referred generally to the books and cases already cited, but especially to Judge Story's work on bills of exchange—466, 467, where the subject is fully explained. The damages are ascertained by the rate of re-exchange. What that is, and how it may operate, we well know; *De Tastet v. Baring*, 11 East, 265; *Mellish v. Simeon*, 2 H. Bl. 378, where the damages were fifty per cent; *Pollard v. Herries*, 3 Bos. and Pul. 335, where they were upwards of two hundred per cent.

It is necessary to understand what "re-exchange" means. It is the right to redraw, at the place where the bill is payable, upon the place where the bill is drawn, for such a sum as will pay the amount on the face of the bill, with costs and expenses, at the place where payable. The law is clearly laid down by Judge Story, in 3 Kent's Com. 115, and in Chitty. It is the right to redraw, and is exemplified in the two cases just cited.

We must distinguish between "exchange" and "re-exchange." The act of 1785—framed with remarkable accuracy and fullness of knowledge—itsself makes the distinction, for it gives the exchange, and then adds the fifteen per cent. The object is, to pay the bill at the time and place where payable, according to the terms of the contract. Messrs. Hottinguer, for example, would have had a right, by the law-merchant, to draw upon the United States, or upon the Bank of the United States, for as much money as would pay them in Paris the amount of the bill. The payment in Paris, therefore, at the time, included the damages. And so, the payment by the Bank of the United States to Messrs. Hottinguer included the damages.

2. They were payable by contract and capable of being ascertained. They were in no sense a penalty. They were a recompense, an equitable equivalent, or more exactly, a fulfilment of the contract, given by the law-merchant, which does not deal in penalties, but looks to equity and substantial justice. This law of damages is founded in the plain equity of the contract, and has nothing in it that is vindictive or penal.

Still less, could they be said to be unliquidated. Where there was an established rate of re-exchange, the price of the day furnished the rule. The law does not require that there should be an actual redrawing. There is an immediate right to redraw, and whether the holder redraw or not, he is entitled to the amount. *De Tastet v. Baring*. Where there is no such rate established, or it is interrupted or disturbed, no matter how, resort may be

had to circuitous drawing, and the actual cost settles it, at the expense of the party liable on the bill. *Bangor Bank v. Hook*, 5 Greenl. 174; *Chitty*, 670. These damages are part and parcel of the bill, though contingent, as is also the liability of the drawer and endorser. They are recovered in an action on the bill, as the principal is.

The payment, at the time and place where the bill is payable, therefore, includes the damages. But the case of a party on the bill, thus paying after protest—he actually pays the damages. They are included in what he pays. In other words, he pays exactly the same as if he had been redrawn upon.

3. In lieu of the right to redraw, usage has in some places fixed a rate of re-exchange or damages, and law in others. Where not so fixed, they remain as they were before. But neither the law nor the usage professes to give the damages. They were payable by the contract, according to the law-merchant. Neither does the law or usage, in any case, intend to take them away. They have in view to avoid the fluctuations of exchange, (*Story on Bills*, 480;) to mitigate the occasional rigour of the law-merchant. *Chitty*, 665. The acts of the Maryland legislature had chiefly in view this latter object. It would seem that the rule of the law-merchant had proved very burdensome, which will easily be understood when we consider that there never has been, and is not now, any regular re-exchange between England or the continent of Europe and the United States, and, therefore, recourse was necessary to costly expedients. They have all one title, “an act ascertaining what damages shall be allowed on protested bills of exchange.” The usage, in some instances, has passed into law. Neither the usage nor the law altered the nature of the contract, that is, made it less a contract, as to its force or its comprehension. They had one single object only, and that for the benefit of the party liable. The damages are still due by contract; more precisely than before, because the rate is fixed and known, and therefore can be stipulated. But they rest upon the same equitable contract. Before, it was an undefined, now a fixed liability—that is, the amount is fixed, where there was already a liability—the redrawing is fifteen per cent., neither more nor less, since 1785. By the prior acts, it was twenty per cent.

No such act can be presumed to mean any more. The remedy is applied to a given mischief, and the acts all indicate plainly what that mischief was. It was the same that has led elsewhere to usages and laws, that is, to substitute a fixed rate of damages for an uncertain one, but by no means to take away the right where it previously existed.

Proceeding, then, more particularly to examine the act of 1785, under the view thus taken of it, Mr. Sergeant maintained,

1. That the Bank of the United States was the “owner or holder of such bill,” and “entitled to the same,” within the terms and meaning of the first part of the first section of the act of 1785.

2. That the Bank of the United States had actually paid the damages, and was within the words of the second part of the section.

1. There is a radical error, as already intimated, in supposing the act gives the damages—that there would be none without it. This leads to error in the whole construction, by taking a wrong departure. The act leaves the right as found, but limits and fixes the amount. It professes to do nothing more. To this intent, it is to be liberally, at least fairly, construed. It must be reconciled, if necessary, with the law-merchant. It must not be brought into conflict with that law, by interpretation out of its own words and declared intention. His position was simply this—whoever by the law of the contract was entitled to damages, is entitled still; and the damages are fifteen per cent. Such is the exact effect of a usage. *Grimshaw vs. Bender*,

5 Mass. 157, 161, 162. The right to damages attaches upon the protest of the bill. It is no more than this, to compel the drawer to pay the bill, at the time and place stipulated. In favor of whom does it attach? Why of the holder. Of what holder? Of any holder. For there always must be a holder, and there can be but one at a time, though there may be several persons united to make that one. The drawer is not to be put to the risk of paying twice. Therefore, the claim must be made by one who has the possession, with right, so as to be able to give up the bill, with a full and final discharge. The Bank of the United States was the holder, to this full intent. It held the bill, with right, ready to hand it over and give an effectual release. What more could be requisite to make it a holder?

Now let us look at the act of assembly. It uses the words in the most general sense. It does not restrict them to the holder at the time of the protest, nor to any particular time. It could not so mean. The holder has a transferable right; not negotiable in the broadest meaning of that word, because, being overdue, which is notice, the assignee takes the bill, subject to the equities between the parties. In other respects it is negotiable. The holder may transfer it, as fully as he holds it, and his transferee becomes the holder, with all his rights, including the right to damages. If this be not so, the damages would be lost by the transfer, and the first holder would be the loser, as he would not be paid for the damages, if they could not be transferred, which would be unreasonable and unjust; or else, we should be obliged to consider this as a case not provided for by the act, and turn over the derivative holder to the law-merchant for his rate of damages. But it is clear that the act meant to provide for every case. It applies, therefore, to every holder, and surely the Bank of the United States was a holder.

The right of the bank, however, as holder, is even stronger than has yet been stated, and in point of law sufficient to satisfy any construction of the words, as a moment's attention to the facts will show.

The bank was the original holder of the bill, by purchase from the United States. It endorsed the bill to Barings, and they endorsed it to Rothschild. The bill was dishonored, and protested for non-payment. Hottinguer and Co., of Paris, strangers to the bill, paid it *supra protest*, for the honor of the Bank of the United States, the endorser. By this payment, Hottinguer and Co. became the holders, were substituted for the holders, with all their rights against the drawer and the first endorser. This is fully settled in France, in England, and in the United States, as may be seen by reference to Pothier, Pardessus, Beawes, Chitty, Story, and every book that treats upon the subject. The only restriction was, that as they paid for the honor of the first endorser, they could make no claim upon the subsequent parties on the bill. They became the holders, at the time of the protest, with full rights against the United States, and the Bank of the United States. These rights were, to redraw, that is, to claim damages, and to transfer their rights as holder. In this state of things, Hottinguers paid themselves, in Paris, the full amount, out of money of the Bank of the United States then in their hands. The bank ratified the payment—that is, the bank paid it to the holders, and the holders (Hottinguers) handed the bill, with all their rights, to the bank. The bank thus became the holder, and was remitted to its former character and rights. Lutw. 896, 899; 7 Term R. 570. They were the holders when the bill returned. They were holders, by relation, to the time of the protest. They became the holders, in law, at the time of the protest. They had therefore a right to redraw—that is, a right to damages.

The material fact here is, that the bank paid the full amount in Paris of what was due there. They actually, really, and legally paid the damages, for to pay the bill at the place where payable, after protest, is to pay the

damages. It gives the right to recover damages. Suppose the case of circuitous redrawing. Each holder in succession becomes entitled. *Mellish vs. Simeon*. The cases are to every intent the same; if there be a usage, that fixes the amount: and so, if there be a law. To redraw from Paris on Maryland is fifteen per cent. This, the Bank of the United States have, therefore, paid.

2. The Bank of the United States had actually paid the damages, and so was within the words of the second part of the first section of the act of 1785.

It is proper here to notice the objection made on the part of the United States, that the Bank of the United States was an endorser, and, therefore, could not recover damages, "unless it had paid them or was liable to pay them." This is urged, upon the authority of Chancellor Kent. 3 Kent's Com. 115. That learned author refers, for his support, only to the case of *Kingston vs. Wilson*, 4 W. C. C. R. 310. He has been misled by the note at the beginning of the report, where from an error of the press, or some other cause, the point is stated as he has quoted it. But no such question arose in that case, and none such was decided. One of the claims there made was by the drawer of a bill of exchange upon the drawee, for not accepting his bill, and the learned judge who then presided in that court (Judge Washington) said, that in an action by the drawer against the drawee, he could not recover damages, unless he had paid them or was liable to pay them. See 4 W. C. C. R. 316. What the law would be in such a case it is not now material to inquire.

But waiving that question, and supposing (if it be possible) the bank not to have been a holder, how will the matter stand? The bank, it must be premised, no one doubts, is able to give a full discharge.

If being on the bill, and holding the bill, the bank had paid the damages, it would be entitled to recover them from any prior party, with interest. This is not disputed, and cannot be disputed. Had the bank not paid the damages? "The law does not insist upon an actual redrawing," &c. 3 Kent, 115. Nor is the claim for re-exchange or damages confined to bills of exchange. 3 Bos. & Pul. 335; *Pollard vs. Herries*, Chitty, 668. It is the substance which is regarded. And so it is in the Maryland act of 1785. The words of the act apply exactly. It does not require that the damages shall be paid *eo nomine*, but the "value" of the same paid to the party "entitled" to the same, as *Hottinguer and Co.* undoubtedly were here. What was the "value" of the same? Precisely the amount on the face of the bill, in Paris, at the time. That is exactly what they had a right to redraw for. There is nothing artificial or technical in the law-merchant. Chitty, 667. Its principles and its methods are those of common sense and justice applied to the transactions of men. The confusion in this case has arisen from not distinguishing, as the law-merchant does, between paying here and paying abroad. Paying abroad includes the damages, which the act of assembly fixes at fifteen per cent.

In every point of view, then, the bank has a clear right to the damages. If the United States were authorized to draw, and the government of France bound to accept, the United States will have their recourse over against France for the damages, after paying the bank.

Some minor objections have been made, not properly open upon this record, which may be disposed of in a few words; and a question has been suggested, entitled to attention.

1. It is said this is not a bill within the act, nor in a legal and commercial sense, being drawn on a particular fund.

This subject, of what is not a negotiable bill, is treated fully, and with reference to the authorities, by Mr. Chitty, pages 157, 158, and by Judge Story

in section 40, page 54. The exceptions are, when there is a condition or contingency; here, there was neither condition nor contingency.

It has been settled too by the legislative authority. The act of congress of 3d March, 1837, 4 Story's Laws, 2556, styles it "the bill of exchange."

Again, it calls itself a "bill of exchange;" has always been termed a "bill of exchange;" went forth to the world, and was negotiated as such; has been so treated in all the correspondence; was protested as a bill of exchange, and claimed as such in the suit. It is too late in the day to question its character.

The use it was employed for, to remit or transfer funds, does not make it the less a bill of exchange. 5 Wheat. 288. This is, and always has been the appropriate purpose of bills of exchange, whether they were originally invented by the Jews of Lombardy, or, as Ranke supposes, in his History of the Popes of the 16th century, to collect the revenue in the Papal States.

2. The United States is a sovereign, not affected by penalties in an act of the legislature.

If confined to penalties, the position is of no consequence here, the question not being of penalties. If it be extended to damages, it is authoritatively answered by the United States *vs.* Bank of Metropolis, 15 Peters, 377, 392. See also, 3 Marsh. 184.

Upon what principle can it be contended that a contract of the United States is different from that of an individual? A bill of exchange is a contract well understood, importing definite legal responsibilities. To what extent is it that the difference is to apply? Will the United States be barred from claiming, as well as exempted from paying damages? They have always insisted upon, and received them, where they were the holders of protested bills. Such a one-sided doctrine would be intolerable. And what would become of the credit of the United States? and the facilities they require in the receipt and disbursement of their revenue, if their bills were thus, as it were, outlawed? Such a doctrine has no countenance in any decision of this court, and it is quite safe to predict it never will have.

3. The relation between the parties—what is it? That of seller and buyer. The United States came into the market with a bill to sell. The Bank of the United States bought it. Nothing could be more simple. There is no mystification in this. See Record, 16, 17, 18, 19. The money being paid into the bank makes no difference. That was agreed, (Record, p. 19;) and without agreement was a thing of course, for the bank was the treasury, and when the money was so placed, it was immediately at the disposition of the government as its own.

But further, the United States have admitted their liability for principal, interest, protest, and expenses, according to the bill of exchange. If not a bill of exchange, why pay for protest? Why a protest or expenses, if not a bill of exchange? They only refuse to pay the damages, which is entirely arbitrary.

If it had not been a bill of exchange, it would still be a contract to pay a certain sum of money in Paris, on a given day. If broken, what would be the measure of damages? Not less, certainly, than upon a bill of exchange. Chitty, 668; Pollard *vs.* Herries, 3 Bos. & Pul. 335.

The objections of the United States are thus disposed of. It is, in truth, a very plain case, now that it has been deliberately examined. The record and the history of the cause show that the principal point was suddenly started in the Circuit Court, and scarcely at all discussed.

The question suggested, and all that remains to be considered is, what would be the effect of the payment being prohibited by the law of France?

The fact is, that the payment was not prohibited by law; but there was

no appropriation by law for the payment. See Protest, Record, 22, 26. The treaty was a binding contract between the high contracting parties from the exchange of ratifications; and by that treaty, the money was due and ought to have been paid. It was impossible to prohibit the payment by a law of France, without assuming the grave responsibility of a wilful violation of the treaty, which is not to be presumed. A mere failure to supply the means, at the time appointed, was not of so serious a character. It might admit of explanation. But still it was a failure.

But neither the one nor the other, nor a prohibition in every respect lawful, as being clearly within the rightful authority of the legislature, could vary the rights of the parties to this bill. This was directly and deliberately decided in *Mellish vs. Simeon*, 2 H. Bl. 378, 379, and in effect decided, also, in *Pollard vs. Herries*. 3 Bos. & Pul 335. The reasons are fully set forth.

Opinion of the Court delivered by Justice McLean.

A writ of error brings this case before the court, from the Circuit Court for the eastern district of Pennsylvania.

On the 7th of February, 1833, the secretary of the treasury of the United States drew the following bill on the minister and secretary of state for the department of finance of the French government:

"Sir—I have the honor to request that at the sight of this my first bill of exchange (the second and third of the same tenor and date unpaid) you will be pleased to pay to the order of Samuel Jaudon, cashier of the Bank of the United States, the sum of 4,856,666 francs and 66 centimes; which includes the sum of \$3,916,666 66, being the amount of the first instalment to be paid to the United States under the convention concluded between the United States and France, on the 4th of July, 1831, (after deducting the amount of the first instalment to be reserved to France under the said convention,) and the additional sum of 940,000 francs, being one year's interest at four per cent. on all the instalments payable to the United States, from the day of the exchange of the ratification to the 2d of February, 1833."

This bill was purchased by the bank, and endorsed by it to Messrs. Baring, Brothers & Co., of London, and by them for value was endorsed, pay the order of N. M. Rothschild, Esq.; and by him it was directed to be paid to Messieurs De Rothschild, Brothers, or order, of Paris, for value in account.

This bill on presentation not being paid, was protested, and was afterwards taken up on account of the first endorser by Hottinguer & Co., who also paid the costs, &c., and charged the whole sum to the Bank of the United States. Notice of the non-payment of this bill was given, in due time, to the drawer; and also that the bank claimed of the government interest, costs, and fifteen per cent. damages on the bill. The government accounted to and paid the bank the principal of the bill and the costs, but refused to pay the damages.

Sometime after the protest, a dividend on the stock held by the United States having been declared by the bank, it retained a part of the dividend to cover the above damages. A suit being brought against the bank, by the government, to recover the dividend thus withheld, the bank set up as an offset the fifteen per cent. damages claimed on the above bill.

On the trial, the court held, and so instructed the jury, that the action was maintainable. That the set-off or credit claimed by the defendants was governed by the statute of Maryland. That if the bank had been the holder of the bill, at the time of the protest, it would, under the statute, be entitled to the damages claimed; but that it must be viewed as endorser, and consequently could not recover such damages, unless upon proof that they had

been actually paid by the bank. To this charge the defendant's counsel excepted, and this brings before the court the questions for consideration.

Before we consider the rulings of the court excepted to, it may not be improper to notice the structure of the bill, which has been much commented on by the counsel; though not having been excepted to by the government, it is not a matter for decision.

It is supposed not to be a bill of exchange, as it was drawn payable out of a particular fund. This seems not to be the character of the bill. It was drawn for a certain sum, and the drawer then states on what account such sum was due from the French government. But there was no restriction as to what monies or appropriation out of which the bill should be paid. This could in no sense restrain the negotiability of the instrument. It has the frame, character, and effect, of a bill of exchange. It was so called and treated by the secretary of the treasury who drew it; by his successor who had some correspondence in regard to it; by the attorney general to whom it was submitted for his opinion, by congress; and by the eminent bankers in Europe through whom it was negotiated and paid.

That the United States can sustain an action against the bank, to recover a dividend declared in their favor, is undoubted. This seems to have been doubted by the counsel for the bank in the Circuit Court, but the objection has been abandoned in this court. Nor can there be any question of the right of the bank to set up, in this case, by way of offset, the damages in controversy, if the claim for damages be sustainable. This right is not contested by the attorney general.

The main point in the case depends upon the construction of the Maryland statute, which applies to this district. It is singular that this statute, which was enacted in 1795, in regard to the question now before us, has never been construed by the local courts. And the same may be said of other and prior statutes of Maryland, containing similar provisions.

The first section of the act provides, "that upon all bills of exchange hereafter drawn in this state, on any person, corporation, company, or society, in any foreign country, and regularly protested, the owner or holder of such bill, or the person or persons, company, society, or corporation, entitled to the same, shall have a right to receive and recover so much current money as will purchase a good bill of exchange of the same time of payment, and upon the same place, at the current exchange of such bills, and also fifteen per cent. damages upon the value of the principal sum mentioned in such bill, and costs of protest, together with legal interest upon the value of the principal sum mentioned in such bill from the time of protest, until the principal and damages are paid and satisfied: and if any endorser of such bill shall pay to the holder, or the person or persons, company, society, or corporation, entitled to the same, the value of the principal, and the damages and interest as aforesaid, such endorser shall have a right to receive and recover the sum paid, with legal interest upon the same, from the drawer, or any other person or persons, company, society, or corporation, liable to such endorser upon such bill of exchange."

That the holder of a foreign bill, or other person entitled to it, may recover, under this statute, from the drawer, in case of protest, a sum that will purchase a similar bill of the same amount, together with fifteen per cent. damages on the principal sum, is admitted. But it is insisted that the bank paid the bill as endorser, and that as there is no proof that it paid the fifteen per cent. damages, they are not recoverable under the statute. The first part of the section gives to the holder of a protested bill its value at the place drawn, the fifteen per cent. damages, and interest upon the value of the principal sum. The latter part of the section gives to the endorser, who has

paid to the holder the value of the principal, the damages and interest on the entire sum paid, with legal interest. So that while the holder of the bill recovers only interest upon the principal sum, the endorser is entitled to interest on the whole sum paid by him. And to give interest on this sum seems to have been the object of the latter clause of this section.

Had the bank retained the bill until its presentation and protest, there could be no question of its right, as holder, to the damages claimed. It endorsed the bill to Baring, Brothers and Co., and they to Rothschild, who endorsed it to De Rothschild and Brothers. These last were the holders, and had not the bill been paid, *supra protest*, on account of the bank, as first endorser, they would have been entitled to the damages. Hottinguer and Co., having paid the bill for the honor of the bank, became the holders, and could recover the damages from it or the drawer. But they being the depositories of the bank, charged it with the amount they paid, by which the bank was remitted to its original character as payee and holder of the bill. In this light the bank was viewed and treated by the government, for it paid not only the principal sum and interest to the bank, but also the costs of protest and other expenses chargeable under the laws of France. But the damages allowed by the statute were refused.

It has been intimated that these damages must be considered as a penalty, and not as a part of the bill. This is a mistaken view of the subject.

Had there been no statute, the bank, as the holder of the bill, would have been equally entitled to damages. They would have been claimed on a different principle, and might have been of a greater or less amount according to circumstances. The origin and character of a bill of exchange are found in the law-merchant: that law which pervades the commercial world, and which, though founded on usage, has become as fixed and definite as any other branch of the law. Under this law the drawer of a bill in this country payable in a foreign country is liable, should such bill be protested, not only for the costs of protest and other incidental charges, but also to re-exchange on the bill. The exchange is sometimes direct, at other times circuitous, depending in some degree upon the commercial intercourse between the countries where the bill is drawn, and where it is made payable. Between this country and France, the exchange is often, if not generally, by the way of London.

The bill under consideration having been protested at Paris for non-payment, the holder under the general commercial law was entitled to a bill drawn at that place, payable in this city, for such sum as would pay the original bill at Paris, including costs of protest and other legal charges. This is re-exchange, and it varies, as must be seen, with the fluctuations of commercial intercourse, influenced somewhat by local circumstances and the general state of the money market. In some instances, owing to peculiar circumstances, re-exchange has been found to exceed forty or even fifty per cent. To avoid so ruinous a charge, so uncertain a rule of damages, and one so difficult to establish by evidence, the state of Maryland, and almost all the other states of the Union, have fixed, by legislation, a certain amount of damages on protested foreign bills, in lieu of re-exchange. Experience has shown that this is a judicious regulation. It relieves the parties to the bill from great uncertainty, and promotes punctuality by showing the drawer what damages he must pay on the dishonor of his bill. Fifteen per cent. on the principal sum, which the statute adopts, may be greater than the actual re-exchange in the present case. But, whether this be so or not is not open for inquiry. It is believed that if this per cent. excluded the re-exchange, at the time this bill was protested, there are many other cases in which it would fall short of that charge. The statute has, probably, fixed an amount

which would be an average charge for re-exchange. This being the basis of the act, the damages cannot be considered as a penalty. The damages given by the statute are as much a part of the contract as the interest. On this point there is believed to be no difference of opinion among enlightened courts or commercial men.

The doctrine of re-exchange is founded upon equitable principles. A bill is drawn in this country, payable at Paris, in France. The payee gives a premium for it under the expectation of receiving the amount at the time and place where the bill is made payable. It is protested for non-payment. Now the payee and holder is entitled to the amount of the bill in Paris. The same sum paid in this country, including costs of protest and other charges, is not an indemnity. The holder can only be remunerated by paying to him, at Paris, the principal, with costs and charges; or by paying to him in this country those sums, together with the difference in value between the whole sum at Paris, and the same amount in this country. And this difference in value is ascertained by the premium on a bill drawn in Paris and payable in this country, which should sell at Paris for the sum claimed. The statute of Maryland then is founded on equitable considerations, although the rule of damages may be considered arbitrary, as it does not yield to circumstances.

In this case the bank purchased the bill from the government and paid for it. It was sold and transferred by the bank. But the bill not being paid to the holder, the bank paid the amount of it, including the costs of protest and other charges, to Hottinguer and Co., at Paris, who had taken it up *supra protest*, for the honor of the first endorser. The bank, in this manner, came again into possession of the bill, the endorsements, in effect, being stricken out. In a commercial and legal sense, then, the bank is the holder of the bill, and has the same claim for damages as if it had never been endorsed. Had the government been suable by the bank, it must have declared and recovered as payee and holder, and not as endorser of the bill.

No objection is taken, in the bill of exceptions, as to the liability of the government to damages, on a protested bill of exchange drawn by it, the same as an individual. No such question, therefore, arises in this case. As the holder of a protested bill, the government exacts damages; it would seem to be equitable, therefore, that as drawer, under like circumstances, it should pay them.

Upon the whole, we think, that in view of the circumstances of this case, the bank is entitled to the fifteen per cent. damages, under the Maryland statute, and that, consequently, the instructions of the Circuit Court were erroneous. The judgment of that court is, therefore, reversed, and the cause is remanded to that court, and a *venire de novo* is awarded, &c.

Mr. Justice Catron.

By the instructions given by the Circuit Court, the controversy is made to turn on the construction of the statute of Maryland; nor does the record raise any question on the transaction growing out of the fact, that it was one between governments, to obtain a sum of money due from the one to the other; in which the corporation acted as an instrument and agent, in a form suggested by itself, to obtain the money. For instance: if it be true, that the United States, in fact, received no money from the bank for the bill, it not having been charged to the bank; this being found, with the additional fact, that the parties intended to await the event of payment, or refusal, on the part of France, and let the bank hold and use the money awaiting the event; then the question on the equity of the case may arise. But the jury did not pass on any such facts, the instruction given rendering the inquiry unnecessary; and so it cut off every other question the plaintiff might have raised in opposition to the offset claimed.

The foregoing is given merely as an instance, to show that no question arises on the record, but on the construction of the act of 1785.

The statute provides for two classes of cases: 1st, "the owner or holder of the protested bill, or the person or persons, company, society, or corporation entitled to the same;" and 2dly, "any endorser of the bill who should pay to the holder, or the person or persons, company, society, or corporation entitled to the same, the value of the principal and the damages and interest."

In the first class, the "owner or holder," &c., shall have a right to receive and recover so much current money as will purchase a good bill of exchange of the same time of payment, and upon the same place, at the current exchange of such bills, and also fifteen per cent damages upon the value of the principal sum mentioned in such bill, and costs of protest, together with legal interest upon the value of the principal sum mentioned in such bill, from the time of protest, until the principal and damages are paid and satisfied.

In the second class, the endorser who has paid the principal, damages, and interest, shall have a right to receive and recover the sum paid, with legal interest upon the same, from the drawer or any other person or persons, company, society, or corporation, liable to such endorser upon such bill of exchange.

It is not necessary to inquire whether this statute includes all possible cases, and if it does not, by what law the cases so unprovided for would be governed, because the bank is seeking, in this instance, to bring itself within the statute; unless it does so, the precise claim of fifteen per cent. cannot be sustained. The charge of the court below was twofold.

1. That the case was governed by the law of Maryland, and
2. Construing that law.

The bill of exceptions includes both points; but this court has proceeded to examine and decide the cause on the second only, passing over the first.

The bank must then bring itself within one of the two classes above described; let us examine them in order.

Was the bank at the time when its present rights accrued, the "owner or holder of the bill." I say at the time its present rights accrued, because this general proposition includes the rights acquired at the time of protest, or acquired subsequently—each of which branches must be separately examined.

The bill was endorsed to Messrs. Baring, Brothers and Co., of London, on some day which the record does not state: that it was sold to the Barings, and not sent over for collection, is not controverted, nor open to question.

It was then passed by endorsement to N. M. Rothschild, and from him to the Messrs. Rothschild in Paris, in whose possession it is found on the day that it became due. It was at their request that a demand was made, by the notary, for payment, and upon refusal, that the bill was protested. So far, they appear to have been, and no doubt were, both the "owners and holders of the bill," and the only "persons entitled to the same at the time of the protest."

Hottinguer and Co. intervened immediately after protest, and paid the bill for the honor of the bank. What rights were then acquired?

It will not be necessary to examine and decide whether they acquired a right to fifteen per cent damages or not; or to comment upon the want of harmony in the law, if it were to allow to a volunteer, who had no right to complain of anybody, the same damages which it gives to a disappointed and suffering party expressly because he has been put to great inconvenience and to hazard of discredit, by the omission of the drawer to provide the necessary funds to meet the bill. The books and cases all recognise the right of such a volunteer to principal, interest, and costs. If Hottinguer and Co.

were the parties to this suit, it would become necessary to examine the question of their claim to damages; but we are now investigating the rights of the bank.

Granting that the Messrs. Rothschild, immediately upon protest, became vested with the right, under the statute, to "receive and recover" from the drawer fifteen per cent. damages in addition to the other sum pointed out in the law; and granting also, for the sake of the argument, that all these rights passed to M. Hottinguer, with the delivery of the bill, it is clear that he was vested with a right that he could exercise or not at his pleasure. If he forbore to claim the damages, he mutilated the rights attached to the bill, supposing all the rights of the parties to be transferred with the bill from one to another. His right to relinquish the damages cannot well be disputed. It was property, and could be given away. It is not our province to inquire into his reasons; we can deal only with facts. It appears from the record, that instead of charging fifteen per cent. damages, he contented himself with charging a commission of one-half per cent., amounting to 24,283 francs and 33 centimes; less than \$5,000. This commission may have been paid to him by the bank, and it appears from a report from the first auditor's office, dated July 29, 1837, that this commission would be paid by the United States to the bank upon presentation of a proper voucher.

There is nothing in the record to show that Hottinguer and Co., even up to this time, sanction this claim of fifteen per cent., or that the bank intends to pay it over to Hottinguer and Co., if it shall succeed in compelling the United States to pay it. On the contrary, the claim of the bank appears to be prosecuted for its own benefit; and the result will be that the bank, if it succeeds in this suit, will pay to Hottinguer and Co. less than \$5,000, and keep \$165,000 for itself.

At the time of the protest, and immediately afterwards, comprehending the payment *supra protest*, and protest itself, either Rothschild or Hottinguer and Co. were the "owners or holders" of the bill, as described in the first class of the statute, and of course no rights whatever accrued to the bank. Did it subsequently acquire any?

In what particular manner the bill was transferred by Hottinguer and Co. to the bank after protest and payment—whether by general or special endorsement, or by a receipt upon the bill—the record does not show. It only says that "the bill of exchange and protest were transmitted to the bank, which thereby, and by reason of the premises, became and were again holders and owners of the same." But the claim for fifteen per cent. damages had been voluntarily waived, as we have seen, by Hottinguer and Co., and it is not easy to see how any person claiming under them could have any more rights than those which the assignors chose to insist upon. The mere possession of the bill is not sufficient, because that possession was accompanied by a contemporaneous declaration that Hottinguer and Co. intended to claim nothing more than one-half per cent. commission.

It is not perceived, then, how the bank can bring itself within the class of cases provided for in the first branch of the statute. Is it within the second?

This depends entirely upon the answer to the question, has it, as endorser, paid the damages to the owner or holder of the bill, or to any one? If it has, the record does not show it. On the contrary, all that it has paid was the commission of a half per cent. to Hottinguer and Co., if indeed it has paid that, for there is no evidence of it. The propriety of the statute is not the subject of examination; but it may be remarked that it appears to be founded on reason and justice. Every successive endorser, as he transfers a bill of exchange, receives from the endorsee its full value; and being thus reimbursed for his outlay in the purchase of the bill, the inconvenience which

falls upon somebody when the bill is protested does not touch him. His account is already balanced. The reason therefore for allowing damages utterly ceases as to him. He has no fresh bill to purchase, either by re-exchange or in any other manner. But when he is made responsible, as he may be, to the holder, for the amount of the bill and damages, it is fair and reasonable that the same liability should travel upward until it is ultimately fastened upon the drawer; each endorser being obliged to refund to the one below him exactly what that one has been compelled to pay. But the bank has not paid these damages, and consequently is not within the second class of cases.

Being not within the statute at all, the claim for damages cannot be sustained.

The argument that the fifteen per cent. is not damages, but exchange, is entirely unsound, as I conceive, in this case. The statute gives exchange from the place of drawing interest, costs of protest, and fifteen per cent. damages, in addition. The first is indemnity; the second a penalty. By commercial men the first is construed liberally, as within the general rule governing bills of exchange, with the difference of estimating the exchange from the place of drawing, instead of re-exchange; the right to the penalty is strictly construed, according to the words of the statute. Its plain meaning must govern the merchant and business man; for him it was made. He is told that the owner of a bill, at the time of its protest, shall be entitled to fifteen per cent. damages from the drawer, or endorser, in every case; and that the endorser shall be entitled to the same, (from the drawer, or a prior endorser,) provided the owner makes him pay the fifteen per cent.; not otherwise. And this I understand to have been the uniform mode of proceeding under the statute by the merchants of Maryland, under the 1st and 3d sections of the act; nor does it appear by the books of reports of that state, that this interpretation by business men has ever been questioned in the courts of justice there. For the reasons stated, I think the instruction given to the jury in the Circuit Court was proper, and that the judgment ought to be affirmed.

Mr. Justice Wayne.

I concur in the opinion that the judgment of the court below ought to be reversed, but not for the reasons given in the opinion of the court.

ORDER.—This cause came on to be heard on the transcript of the record from the Circuit Court of the United States, for the Eastern District of Pennsylvania, and was argued by counsel. On consideration whereof, it is now here ordered and adjudged by this court, that the judgment of said Circuit Court in this cause be, and the same is hereby reversed; and that this cause be, and the same is hereby remanded to the said Circuit Court, to award a *venire facias de novo*.

APPEAL TO THE SUPREME COURT OF THE UNITED STATES,
JANUARY TERM, 1847.

The United States, Plaintiffs in error v. The Bank of the United States.

In the case of the United States v. the Bank of the United States (2 Howard, 711,) the court is of opinion that the question on the structure of the bill is an open question, and for the first time presented to this court for decision.

The statute of Maryland of 1785, in its terms, does not embrace a bill of exchange drawn on a foreign government.

A bill of exchange in form, drawn by one government on another, as this was, is not and cannot be governed by the law-merchant, and therefore is not subject to protest and consequential damages.

This case was brought up, by writ of error, from the Circuit Court of the United States for the Eastern District of Pennsylvania, and was a continuation of the same case between the same parties, which was reported in Howard's Supreme Court Reports, vol. ii. page 711.

Being sent back to the Circuit Court, it came up for trial in November, 1844, when the jury, under the instruction of the court, found a verdict for the defendants below, viz. the bank.

At the trial, a bill of exceptions was filed, which brought the case again to this court.

And the counsel for the said plaintiffs requested the learned Judge to charge the jury—

1. That the evidence in the cause does not show a contract between the government and the bank for the sale of a bill of exchange, but an undertaking on the part of the defendants, as the agents of the plaintiff, to transfer to the United States the first instalment due under the treaty with France, and that the bill was only one of the instruments for carrying the same into effect. And further, that the question of agency is for the jury to decide.

2. That the act of Maryland of 1785, under which the defendants claim damages, does not extend to the United States.

3. That the bill in question, being drawn by one government upon another, and upon a particular fund, is not a bill of exchange within the legal meaning of the terms, and is not embraced by the statute.

4. That the defendants, being endorsers of the bill, and not the holder or owners at the time of protest, are not entitled to the damages, since they have not paid them.

But the Circuit Court refused to instruct the jury as requested by the plaintiffs' counsel,

The cause at the present session of the Supreme Court was argued by *Mr. Clifford*, (the Attorney-General,) and *Mr. Nelson*, for the United States, the plaintiffs in error, and by *Mr. Sergeant*, for the Bank.

Mr. Clifford assigned five causes of error, viz.

1st. That the bill upon which the damages in controversy are claimed by the defendants in error, under the circumstances stated in the record, is not a bill of exchange and embraced by the Maryland statute of 1785.

2d. That if a bill of exchange within the terms of that statute, the statute does not extend to the United States, so as to render them liable to the payment of the fifteen per cent. damages claimed by the defendants.

3d. That the evidence in the cause does not show a contract between the plaintiffs and the defendants for the sale of a bill of exchange, but an undertaking on the part of the defendants, as the agents of the government, to transfer to the United States the first instalment due under the treaty with the King of the French of the 4th July, 1831, and that the bill in question was one of the instruments for accomplishing that object.

4th. That the defendants, being endorsers of the bill, and not owners or holders at the time of protest, are not entitled to damages, since they have not paid them.

5th. That there was error in the charge of the court below in having instructed the jury that the defendants were entitled to their verdict, thus withdrawing from the consideration of the jury the facts which they alone were competent to find.

Opinion of the Court, delivered by Justice Catron.

The United States sued the Bank of the United States for a dividend on stocks held by the government in the bank, and the defendant pleaded and relied in defence on a set-off, being the damages claimed by the defendant

of fifteen per cent. on a protested draft in the form of a bill of exchange, drawn by the government of the United States on the government of France, for a sum of money due from the latter government to the former, by treaty stipulations, to obtain possession of which the draft was drawn. The bank was the payee and original holder. The holders at the time of protest (Messrs. Rothschilds of Paris) caused it to be protested for non-payment; and Hottinguer & Co. intervened immediately after, and took up the draft for the honor of the bank. The corporation refunded to Hottinguer & Co. the amount advanced, including interest and charges, together with one half per cent. commission, and thus again became possessed of the bill.

The Circuit Court, on a former trial, held that the damages claimed as a set off depended on a statute of Maryland of 1785; that by the statute the holder at the time of protest alone could demand damages from any previous party to a bill, and that if he failed to do so, and recovered less from any previous endorser, the latter could only recover the amount actually paid (with interest and charges accruing subsequently) from the drawer; and therefore the bank could set up no claim by force of the statute of Maryland, taking its own assumption to be true, that this was a legal bill of exchange, and properly subject to protest. This instruction altogether rejected the defence relied on, and the jury found for the plaintiffs; and from that decision the defendants prosecuted a writ of error to this court. When the cause came before us in 1844 (2 Howard, 711,) this single question was presented for our determination; nor could this court decide any other question; and such was the unanimous opinion of the court, although the Judges then present differed as regarded the true construction of the statute of Maryland; the majority holding the construction of the Circuit Court to have been erroneous, and that the bank, as payee, on taking up the draft from Hottinguer & Co., had the same right to demand damages under the statute that the holder had at the time of protest. The court, however, when giving its opinion, threw out some suggestions on the structure of the bill; first remarking, that, "before we consider the rulings of the court excepted to, it may not be improper to notice the structure of the bill, which has been much commented on by the counsel, though, not having been excepted to by the government, it is not a matter for decision." The instruction given cut off every other question the government might have raised in opposition to the set-off claimed; and as this court, when acting as a court of errors, can only legitimately revise the questions of law that have been raised and decided in the Circuit Courts, it must of necessity, on a second writ of error being prosecuted, have power to revise such rulings of the court below on the second trial as affect the merits of the controversy, and to pass on the questions not previously presented, as open questions, in the particular cause. However high the regard of judges that did not concur may be for the views entertained and expressed by other judges, on a question of law not brought up for decision, still it is impossible to recognize such views as binding authority, consistently with the due administration of justice; as by doing so the merits of the controversy might be forestalled, without proper examination. We therefore feel ourselves at liberty to treat of the structure and character of the instrument before us as an open question. And so, also, we deem the question open, whether the statute of Maryland subjected to protest and damages a government. The statute provides—"That upon all bills of exchange hereafter drawn in this State on any person, corporation, company, or society in any foreign country, and regularly protested, the owner or holder of such bill shall have a right to so much money as will purchase a good bill of the same time of payment, and upon the same place, at the current rate of exchange of such bills;

and also fifteen per cent. damages upon the value of the principal sum mentioned in such bill, with costs of protest, together with legal interest," &c. The United States refunded to the bank, on the return of the draft, the principal sum, together with all the charges actually incurred by the bank, and the interest accruing from the date of drawing to the time when the money was refunded; but refused to pay the fifteen per cent. damages claimed by the bank. This refusal was not founded on the true construction of the Maryland statute; the government insisting it had no application to the transaction, but that the drawing was of nation upon nation, and not governed by the law-merchant; and that the form of one of the instruments making up the transaction did not and could not alter its character or legal effect, so as to bring it within the law-merchant. That the government was only bound to do equity to the bank to the extent of the amount refunded to Hottinguer & Co. And these conflicting assumptions make up the question we are now called on to determine, as will be seen by referring to the third and fourth instructions asked to be given to the jury, on part of the plaintiffs, on the second trial; they are as follows:

"3. That the bill in question, being drawn by one government upon another, and upon a particular fund, is not a bill of exchange within the legal meaning of the terms, and is not embraced by the statute.

"4. That the defendants, being endorsers of the bill, and not the holders or owners at the time of protest, are not entitled to the damages, since they have not paid them."

Being refused, the judge stated to the jury, that "these questions appear to me to have been determined by the Supreme Court of the United States in the present cause in favor of the defendants;" and further remarking, that, "if I am mistaken in their views on this, it will be corrected by a re-examination of the cause in that court."

That the judge was mistaken as regarded the questions arising on the third instruction, we have already stated; but in regard to the fourth instruction, the charge was proper, as the question presented by it had been decided.

Suppose, then, a bill of exchange could be drawn by the government of Maryland, or by the government of the United States in this District, as the successor of Maryland, on the government of France; would the statute of Maryland give damages to a holder in case the bill was dishonored by France, and formally protested? The statute provides for damages upon all foreign bills drawn in that state, "on any person, corporation, company, or society."

Is the government of France either a person, corporation, company, or society, within the meaning of the act? If it is, and was indebted, and could be drawn on and protested, then it follows that the drawer of the bill (in such an instance as this,) on taking it up and paying the damages, could lawfully demand from France, as drawee, the damages paid, and rightfully enforce the demand by the sword, if payment was refused; as the demand would be a perfect right, and this the ultimate remedy. In our opinion, Maryland, by her act of 1785, never contemplated the idea that a foreign government should be subject to be drawn upon by bills of exchange, and to protest and damages as incidents, like individual persons, or trading companies, or corporations; but that the statute had reference to the latter only; and that therefore this bill, on its face, "is not embraced by the statute," in the language of the rejected instruction.

The second consideration arising on the instruction involves the structure and character of the instrument, not so much in form, as in substance; for the name of the instrument cannot change its nature and character. The

draft was drawn by one government on another, and of necessity accompanied by other documents, and the question is, was it a negotiable bill of exchange, in the legal meaning of the terms. The Circuit Court held that it was; and this is the prominent legal point in the cause, or at least has been so treated at the bar, and on which this court has bestowed much consideration.

A bill of exchange is an instrument governed by the commercial law; it must carry on its face its authority to command the money drawn for, so that the holder, or the notary, acting as his agent, may receive the money, and give a discharge, on presenting the bill and receiving payment; or, if payment is refused, enter a protest, from which follows the incident of damages. But if no demand can be made on the bill standing alone, and it depends on other papers or documents to give it force and effect, and these must necessarily accompany the bill and be presented with it, it cannot be a simple bill of exchange, that circulates from hand to hand, as the representative of current cash.

It follows, as we suppose, from the character of the drawer and the drawee, and the nature of the fund drawn upon, that this transaction could not be governed by the commercial law; much less by a statute of Maryland, which happened to be in force in the District of Columbia, where the draft was drawn.

But it is insisted, and with much plausibility, that as between the bank as payee, and the United States as drawer, no such objections can be alleged by the United States; they having assumed the draft to be a bill of exchange, and dealt with it as commercial paper, are bound by the assumption. Still, the question meets us, that no form of draft could authorize a legal demand upon the drawee (France) on the face of the draft. So far from being a simple paper, carrying its authority to receive the money with it, the parties now before the court conceded, at the time the drawing took place, by obtaining the power, that the right to receive the money did mainly depend, and must depend, on the power signed by the president, and countersigned by the secretary of state, with the seal of the United States attached, and the communication of the facts in official form, and through the proper channel, to the government of France, that is, through its department of foreign affairs. These were the conditions and contingencies with which the draft was encumbered. They were legal consequences, apparent on its face, and are yet more apparent by the accompanying facts that took place at the time of drawing.

Again. This controversy is between the original parties; the law governing the dealing, each was bound to know; the facts they did know equally well; and if a mutual mistake was made in supposing that a negotiable commercial instrument could be founded on our claim against France, this mistake cannot change the commercial law, which in our opinion could not be made to apply to the subject-matter of drawing, nor in any form of instrument founded on the subject-matter.

The principal argument adduced to sustain the set-off claimed is founded on the fact, that by an act of congress the secretary of the treasury had a discretion to adopt any appropriate means to obtain the money, and that a bill of exchange was an appropriate means. To this assumption it may be answered, that France was not bound by the act of congress, but by the treaty; it stipulated, "that the indemnity of twenty-five millions of francs should be paid, in six annual instalments, into the hands of such person or persons as should be authorized to receive it. We repeat that this authority was to come from our government to the French government; was to pass through the department of state here, and through the department of foreign

affairs there, and thus only could it reach the minister of finance, M. Humann. Our secretary of the treasury could not communicate with the minister of finance, nor with any other functionary of the French government, and therefore the bill drawn by Mr. McLane on M. Humann, standing alone, was idle as waste paper, notwithstanding the act of congress, in so far as the French government was concerned. Nor had M. Humann any power to pay the money, had it been in the treasury, until instructed to do so by the department of foreign affairs.

1. For these reasons, we are of opinion that the question on the structure of the bill is an open question, because for the first time presented to this court for decision.

2. That the statute of Maryland, of 1785, in its terms, does not embrace a bill of exchange drawn on a foreign government.

3. That a bill of exchange in form, drawn by one government on another, as this was, is not, and cannot be, governed by the law-merchant; and that therefore it is not subject to protest and consequential damages.

And on these grounds we order that the judgment of the Circuit Court be reversed, and that the cause be remanded to that court for another trial thereof, on the principles stated in this opinion.

Mr. Chief Justice Taney filed the following memorandum:

The chief justice withdrew from the bench in the argument of this case, having given an official opinion, when he was attorney general of the United States, against the claim made by the bank, and concurring altogether with the above opinion given by the court.

Opinion of Justice McLean.

I dissent from the opinion of the court. No point is made in this case which was not elaborately discussed and substantially ruled in the same case, reported in 2 Howard, 711. It is true, the structure of the bill, and the liability of the government to the damages claimed, not being points made in the former bill of exceptions, were not authoritatively adjudged. But these points were so connected with the construction of the Maryland statute, the question then before the court, that neither the counsel nor the court could escape their consideration. No other instrument than a foreign bill of exchange is embraced by the statute, and if the government be not liable to damages on a protested bill, no decision could have been given against it.

The points were as fully and as ably argued then, as they have been at the present term. The addition of one learned counsel at the bar is the only change in the advocates. But the changes on the bench show the uncertainty of life, and the emptiness of human hopes. Two judges, distinguished for their great learning and ability, who participated in the former judgment, have gone to their account; ill health causes the absence of another, and the opinions of the two now present remain unchanged. We submit, as we are bound to do, to the views of our four learned associates who now decide this case.

It is insisted that the bank did not purchase the bill of exchange from the government, but acted as its agent, using the bill as an instrument through which to perform its agency.

By the fifteenth section of its charter the bank, when required by the secretary of the treasury, was bound "to give the necessary facilities for transferring the public funds from place to place within the United States or territories, without charge." But this duty was limited to transfers within the Union, and did not extend to foreign countries.

The correspondence between the secretary of the treasury and the president of the bank, in relation to this bill, shows a purchase of it by the bank.

In his first letter to the bank, dated the 31st of October, 1832, the secretary of the treasury states the amount due under the French treaty; that it was made his duty to have the amount transferred to the United States, and the views of Mr. Biddle as to the mode of transfer were solicited. In his answer Mr. Biddle says—"The simplest form would be the sale of a bill on Paris, drawn by the secretary of the treasury;" that "the bank has already in Paris a larger sum than it has any immediate use for, yet it is not indisposed to increase it, because it may hereafter have occasion for the fund, and because it is believed that, if the terms can be made acceptable, the purchase of the whole by the bank would be the best operation for the government." The rates of exchange are then stated, and a proposition to purchase the bill at a certain per cent.

On the 26th of January ensuing, the secretary says he is ready to draw the bill, and adds—"I presume the bank is still disposed to purchase, and on the terms offered in your letter of the 5th of November." And also he says—"It is desirable that the credit be given to the treasurer by the bank, on receiving the bill."

To this letter Mr. Biddle replies, that the rate of exchange has declined between England and France, and that the bank could not take the bill on the terms at first proposed. On the 6th of February the new terms were accepted, and on the following day the bill was transmitted, and its proceeds were placed on the books of the bank to the credit of the government.

These facts show a proposal to sell the bill by the secretary, and an agreement to purchase it by the bank at a certain per cent.; that the bill was drawn and forwarded to the bank, and that for the amount of it a credit was entered to the government. In the face of these statements, which show a purchase of the bill beyond all doubt, it is extraordinary that the fact should be controverted.

It is contended that the bill, "under the circumstances stated in the record, is not a bill of exchange, and is not embraced by the Maryland statute of 1785."

The secretary of the treasury proposed to sell a bill of exchange to the bank, and the bank agreed to purchase a bill. On its face it is called a bill of exchange, and it was negotiated as such by the bank to Baring, Brothers and Co., of London, and by them to N. M. Rothschild, who endorsed it to Messieurs D. Rothschild, Brothers, of Paris. When the bill became due, a demand of payment was made on the drawee, and a protest for non-payment, which was followed by due notice to the drawer. The government paid the cost of protest and other expenses to the bank, and also the commissions charged by Hottinguer and Co., who took up the bill, *supra* protest, as the agents of the bank; but the fifteen per cent. damages given by the Maryland statute were refused. And in a letter to the secretary of the treasury, the attorney general says—"I have carefully examined the claims presented by the Bank of the United States, on account of the protest of the bill of exchange drawn by you on the French government," &c. "The account," he says, "stated by the bank, if supported by proper vouchers, appears to be correct, with the exception of the claim of fifteen per cent. damages on the amount of the bill."

But now it seems that these eminent civilians and bankers were ignorant of the legal import of this instrument—men who had been all their lives conversant with bills of exchange, and who had used them in their moneyed operations annually, to an amount equal to, if not greater than, the revenue of this government. Yet these men, the richest and most experienced bankers in the world, were mistaken in calling and treating this paper as a bill of exchange. And the government, too, were reprehensible for paying the costs of protest, for such costs could be charged only on a bill of exchange.

Against all this knowledge, experience, and action, it is now contended that the paper is a mere assignment, or any thing else than a bill of exchange. That designation is repudiated, not the less zealously for having been the result of second thought.

But what are the new lights shed upon this question?

Two documents are found in the present record, which were not before the court at the former argument; and these, it is said, have a material bearing on the case. The first is a letter dated 8th February, 1833, from the secretary of state to Mr. Niles, our *charge d'affaires* at Paris, informing him that a bill had been drawn on the French government for the first instalment and interest under the treaty, in favor of Samuel Jaudon, cashier of the Bank of the United States, and requesting that notice should be given of the arrangement to the French government.

This is nothing more than a letter of advice, which usually precedes a bill of exchange, of which the payee in this instance had no knowledge. It, however, conduces to show the nature of the transaction, as not only the substance of a bill of exchange was regarded, but also its form and accompaniment.

The other document was under the seal of the United States, and signed by the president and secretary of state. It stated the substance of the treaty; the act of congress authorizing the secretary of the treasury to have the instalments, as they became due, transferred to the United States; and that the secretary had drawn a "bill on the minister and secretary of state for the department of finance of the French government, payable at sight, for four millions, eight hundred and fifty-six thousand, six hundred and sixty-six francs and sixty-six centimes, being the amount of the first instalment, payable to the United States, under the said convention, on the second of the present month of February, and of the interest which is payable at the same time; which bill is payable to Samuel Jaudon," &c., and the president ratifies the act of drawing the bill, and the receipt which shall be given, &c.

Now this paper is supposed to take away from the bill of exchange its character as a commercial instrument. It can have no other effect than to show that the secretary had authority to draw the bill. It was no part of the bill of exchange, and indeed was not necessary to its negotiability. The endorsement of Jaudon implied an undertaking that he was the cashier of the bank, and that the bill was genuine and would be paid. No one can doubt that the payment of the money by the French government on the bill, without any additional evidence, would have been good. The bill upon its face was perfect, and authorized the holder to receive and receipt for the money.

At most, the document can only be considered as authenticating the law under which the secretary acted in drawing the bill. And this was all that the French government, under any circumstances, could require. But suppose this paper was a power of attorney, signed by the president, authorizing the secretary to draw the bill; would that change or in any way affect its commercial character?

Any person may draw, accept, or endorse a bill by his agent. A partner may endorse for the firm. And this authority may be by parol or writing not under seal. So a corporation may draw by its agent. Banks are in the constant practice of drawing bills through their cashiers. And has it ever been supposed, that, if evidence accompanied or was attached to the bill of the authority of the drawer, it impaired its commercial properties? Mr. Chitty says, in his *Treatise on Bills*, p. 27—"Where a bill is not signed by the party himself, the party taking it must first satisfy himself that the agent had power so to act for the supposed principal." In the case of the *East*

India Company vs. Tritton, 3 Barn. & Cres. 280, three bills upon the East India Company were payable to Hope or order; they got into possession of Card, who endorsed them for Hope. Card had a power of attorney from Hope, but it was not sufficient to warrant these endorsements. This power being seen by the holders of the bill, they were bound by it, as having notice of its extent.

But a bill drawn by an agent, under a power, was never supposed to be less a bill than if it had been drawn by the principal. And in such cases the assignee has only to satisfy himself that the drawer acted under a proper authority. This no more vitiates the bill, than evidence of the genuineness of the signature of the drawer. The bill in question was complete upon its face, and it is inconceivable to me how the paper signed by the president can affect it.

In the argument it is supposed that, in drawing this bill, the government acted in its sovereign capacity. The idea of attaching sovereignty to all the agencies of the government, however exercised, is as novel as it is unconstitutional. Cover every transaction of the agents of the government by the attributes of its sovereignty, and a despotism, characterized by the *gross* acts of injustice and oppression must result.

A bill of exchange derives all its properties from the commercial law. It is a most convenient instrument for the transfer of funds from one country to another. And its chief and only value, in this respect, arises from the legal principles with which it is invested, and which regulate the duties and liabilities of those who become parties to it. In negotiating such an instrument, the government does not act in its sovereign capacity. It becomes subject, like all other parties to the bill, to the commercial principles which govern it.

In the case of the *United States vs. Administratrix of Barker*, 12 Wheat. 559, it was held, that "whenever the government of the United States, through its lawfully authorized agents, becomes the holder of a bill of exchange, it is bound to use the same diligence in order to charge the endorser as in a transaction between individuals." And in that case the endorser was held to be discharged by the negligence of the government. And again, in the *United States vs. Bank of the Metropolis*, 15 Peters, 392, the court say—"When the United States, by its authorized officer, become a party to negotiable paper, they have all the rights and incur all the responsibility of individuals who are parties to such instruments. We know of no difference except that the United States cannot be sued."

These decisions, and many others that might be referred to, put an end to the assumption, that a bill of exchange drawn by the government is an act of sovereignty, or any thing different in principle from a bill drawn by an individual. Whether drawn by the government or an individual, a bill of exchange is the same commercial instrument, and subject to the same law. No principle is better settled than this by the decisions of this court.

But it is supposed that there is something in the character of the drawee, the French government, which destroys the commercial character of the bill. This position is as unsustainable as that of the character assumed for the drawer. The bill was drawn on M. Humann, the minister of finance of the French government. The money was due, and the payment of it was subject to no contingency from the face of the bill, nor from any circumstance connected with it. The drawer guaranteed the payment of the bill on presentation by the holder, under all the responsibilities which the law attached. A demand, protest, and notice were the only conditions on which these responsibilities were to become fixed. These conditions have been performed by the bank, and the government has acknowledged its liability

by paying a part of the damages claimed. But throwing itself upon its sovereignty, the government refuses to pay the damages claimed under the statute of Maryland, on the ground that the instrument is not a bill of exchange. If this ground be true, the costs of protest should not have been paid by it.

It is contended, that, as the question is now here, between the original parties to the bill, the bank may be supposed to have taken the bill under a full knowledge that it might not be paid by the French government; and could not be paid by it, unless the chambers should make an appropriation. And from this knowledge it is inferred, that the bank took upon itself the risk of the punctual payment of the bill. This assumption is shown to be unfounded by the fact, that the government, on being notified of the protest, immediately returned the money to the bank which it had paid on account of the bill. Now if there had been any understanding, express or implied, such as is presumed, in regard to the punctual payment of the bill, would the government have done this? There can be but one answer to this question.

There was no doubt in the minds of the original parties to this bill, that it would be paid on presentation. What was the language of this government on receiving notice of the protest? Was the failure of the French chambers to make the appropriation received as an apology for the dishonor of the bill? That government was informed, in terms not to be misunderstood, that no excuse for a delay of payment could be received. That the obligation of the French government was absolute, and in no degree dependent on the will of the chambers; and an immediate payment was required. The bank, shortly after the receipt of this bill, endorsed it to Baring, Brothers and Co., in London. This affords the highest evidence that the bank believed the bill would be honored.

It is argued that the French government did not subject itself to a bill of exchange, and consequently to the payment of damages on a default of payment. This may be admitted, and yet it does not reach the question. The bill was not presented until the money was due, and by drawing it our own government undertook that it should be paid. This is as well settled as any other principle in the commercial law.

It seems to be considered that the case might have been stronger against the government, had it been made by an endorsee of the bill. This cannot be correct. Every endorsee, from the face of the bill, had all the notice which can be charged against the bank.

But it is contended that the bill was drawn on a particular fund, and therefore was not a bill of exchange.

It is admitted, if the payment of the bill is made to depend upon any contingency, it is not a bill of exchange. In the language of Mr. Chitty—"If the payment is to depend on the sufficiency of a particular fund, the bill or note will be invalid." The case of *Jenny vs. Herle*, 2 Lord Raym. 1361, was much relied on in the argument. "Herle sued Jenny upon a bill drawn by him upon Pratt, and payable to Herle, as follows: 'Sir, you are to pay Mr. Herle £1,945 out of the money in your hands belonging to the proprietors of the Devonshire mines, being part of the consideration money for the purchase of the manor of West Buckland.' Herle had judgment in the Common Pleas; but upon a writ of error, the Court of King's Bench held that this was no bill of exchange, because it was only payable out of a particular fund, supposed to be in Pratt's hands, and the judgment was accordingly reversed."

The decision in that case did not turn upon the words on the face of the bill, "being part of the consideration money for the purchase of the manor

of West Buckland;" but on these—"You are to pay Mr. Herle out of the money in your hands belonging to the proprietors of the Devonshire mines." The former words here cited in effect are the same as those used in the French bill, showing the consideration on which it was drawn; but in Herle's case these words constituted no objection to the bill, and were not referred to by the court. The case turned exclusively on the direction to "pay out of the money in your hands belonging to the proprietors of the Devonshire mines." Had these words been omitted, the bill would have been good. So that the case of Herle, so much relied on by the plaintiffs' counsel, does not show the invalidity of the French bill.

The bill in Herle's case, in the language of the court, was payable out of money *supposed* to be in Pratt's hands. Consequently it was payable out of no other fund. And if the fund supposed to be in Pratt's hands was not there, then the bill was not payable. Compare this with the French bill: "Sir, I have the honor to request you to pay at sight of this my first of exchange, &c., to the order of Samuel Jaudon, cashier of the Bank of the United States, the sum of four millions, eight hundred and fifty-six thousand, six hundred and sixty-six francs sixty-six centimes, which comprises the sum of 3,916,666 66 francs, constituting the amount of the first payment to be made to the United States, by virtue of the convention concluded between the United States and France, the 4th of July, 1831, (deduction made of the amount of the first payment, reserved to France by said treaty,) and the additional sum of 940,000 francs, for a year's interest at four per cent. upon the entire sums payable to the United States, dating from the day of the exchange of ratification to the second of February, 1833."

Now there is not on the face of this bill any intimation out of what fund the French government should pay it. It specifies on what account the bill was drawn, showing the amount was due; but this does not affect the character of the bill. The instalment "was referred to," in the language of Mr. Chitty, "in order to show the consideration, and not to render the payment contingent."

In *Burchell, Administrator, &c. vs. Slocock*, 2 Lord Raym. 1545, the action was on a promissory note, whereby the defendant promised to pay to A B £101 12s. in three months after the date of the said note, "value received out of premises in Rosemary Lane, late in the possession of G H. The court, on demurrer, held this to be a promissory note within the statute." And so in *Hausoullier vs. Hartsinck*, 7 Term, 733, the defendant promised to pay —, or bearer, £25, being a portion of a value as under deposited in security for the payment thereof. Upon a special case being reserved, the court said they were clearly of opinion, that though, as between the original parties to the transaction, the payment of the notes was to be carried to a particular account, the defendants were liable on these notes, which were made payable at all events.

The question is, whether the payment of the bill is made to depend upon any contingency. Now, it is clear this is not done in the French bill. It is made payable absolutely, without any condition expressed or implied.

The maker of a note promised to pay A B eight pounds, so much being to be due from me to C D, my landlady, at Lady-day next, who is indebted in that sum to A B. Was held not to be conditional. Chitty on Bills, 139. Now, in this instrument the consideration is stated; but that did not vitiate the note. The French bill states nothing more, than that the amount drawn for was due by treaty. And yet this is supposed to destroy its negotiable character. A decision to this effect would, in my judgment, introduce a new principle into the law governing bills of exchange.

Is the bank entitled, under the statute of Maryland, to the fifteen per cent. damages?

The argument that the state of Maryland did not intend to subject her sovereignty to the provisions of the statute is entitled to but little consideration. The interest involved does not reach the sovereignty of the state; and it is sufficient to say, there is no exemption of the interests of the state in the statute; and in passing it, the legislature intended, as in the enactment of every other law, that all legal effect should be given to it.

The words of the statute are, "that upon all bills of exchange hereafter drawn in this state on any person, corporation, company, or society in any foreign country," &c.; and it is intimated that these words do not embrace a foreign government. In answer to this, it may be said the bill is drawn on M. Humann, and is literally within the statute.

From the cases above cited, it is clear that the government, in drawing or negotiating a bill of exchange, subjects itself to all the liabilities of an individual; consequently it is liable to the fifteen per cent. damages, under the Maryland statute, if the bank is entitled to them. These damages were considered by this court in the former decision as designed by the statute to cover re-exchange. This construction is opposed, and it is argued that re-exchange is provided for in the statute, where it declares that the holder of a protested bill "shall have a right to receive and recover so much current money as will purchase a good bill of exchange of the same time of payment, and upon the same place, at the current exchange of such bill." And the fifteen per cent. damages in this view are considered as a penalty.

Instead of covering re-exchange by the above provision, the legislature intended to give the holder of the protested bill the money he paid for it, varying only as the rate of exchange should be at the time. If the rate of exchange at the protest of the bill was lower than when it was purchased, the holder, under the statute, would recover less than he paid for it; but if exchange had risen, he would recover more. Now, this exchange is limited to this country, and therefore cannot have been intended as re-exchange. Re-exchange is a bill drawn at the place of payment of the protested bill, which shall sell for the amount of such bill. The holder of the French bill, on its protest, was entitled, on commercial principles, independently of the statute, to a bill on this country which would sell at Paris for the amount of the protested bill. This would be a very different sum from that which was paid for the bill in this country. The re-exchange depends upon the state of trade between the two countries, direct and circuitous, the money market, always regulated by the demand and supply, and other circumstances of a local character, which show that the price at which the bill was purchased in this country can never be the price at which a bill on this country would sell at Paris, or in any foreign country. This fact being known to the legislature of Maryland, they could not have intended by the above provision to cover re-exchange. The statute gives to the purchaser of the bill the amount he paid for it, with the small variation stated, and nothing more. The fifteen per cent. damages were given in lieu of re-exchange, and not as a penalty. This is the view taken by the court in its former decision.

It is said that the bank, not having paid damages on the bill, is not entitled to them. The bank, having negotiated the bill, was responsible for its payment, with damages. And after the protest, the agents of the bank supervised, and paid the amount of it to the holder. The propriety of this payment is not questioned. By this act, the bank became the holder of the bill, not as endorsee, but as the original payee. In effect, this ownership obliterated and annulled the endorsements on the bill. The bank, as the holder, could look to no one but the government for payment. And payment to the bank in this country was made, shortly after notice of protest was received.

But the damages given by the statute have been withheld. Had the bank

never negotiated the bill, and made a demand of payment, and protest for non-payment, with regular notice, the right to the damages claimed could not have been contested. And this is the precise condition of the bank. It is the holder, having paid the amount of the bill at Paris.

The large amount of the damages claimed has been adverted to in the argument. This should have no influence on the legal questions that arise.

Suppose the bank had not taken up the bill after protest; is there any doubt that the holders could have recovered damages from their endorsers, and they from the bank? This would have subjected the bank to the payment of the damages given by the law of the place where the bill was first endorsed. But this circuitous course was prevented by the payment of the bill. It thus appears that the bank paid this large sum of money in Paris, unexpectedly, which in the nature of things must have subjected it to great inconvenience and loss. By the payment, the credit of the government, as the drawer of the bill, was sustained, and the eventual liability of the bank for principal and damages anticipated.

Now, as between individuals, this would entitle the holder of the bill to the fifteen per cent. damages. And it is equally clear and just, that the bank should receive the same. There has been paid to it by the government the principal, costs of protest, and the commission charged by Hottinguer and Co. as the agents of the bank, who took up the bill, but not one cent has been paid to the bank for the advance of the money at Paris. On the principles of equity, independently of the statute, the bank is entitled to the difference in value of the sum paid by it in Paris, and the sum received by it from the government in this country. This is re-exchange, which the fifteen per cent., in my opinion, was intended to cover. Of this opinion was the court which formerly decided this case.

I think the judgment of the Circuit Court should be affirmed.

Mr. Justice Wayne also dissented from the opinion of the court.

Mr. Justice Woodbury, having given an official opinion as secretary of the treasury against the claim of the bank in this case, did not sit.

ORDER.—This cause came on to be heard on the transcript of the record from the Circuit Court of the United States for the Eastern District of Pennsylvania, and was argued by counsel. On consideration whereof, it is now here ordered and adjudged by this court, that the judgment of the said Circuit Court in this cause be and the same is hereby reversed, and that this cause be and the same is hereby remanded to the said Circuit Court, with directions to that court to award a *venire facias de novo*, and for further proceedings to be had therein in conformity to the opinion of this court.

The United States vs. The Bank of the United States.

This is one of the most interesting cases ever presented for the consideration of the Supreme Court of the United States, involving a large amount of money, the liability of government transactions to the control of state laws; and calling forth the talents of several distinguished members of the bar, viz. Mr. Nelson, (former attorney general of the United States,) Mr. Clifford, (present attorney general of the United States,) and Messrs. Cadwallader and Sergeant of Pennsylvania.

It was with reference to the return of this bill and the continued delay of the French government to give satisfaction therefor, that president Jackson recommended to congress in 1834, that "a law be passed authorizing reprisals upon French property in case provision shall not be made for the payment of the debt at the approaching session of the

French chambers." The following extracts from president Jackson's annual message, under date December, 1834, will give our readers the executive views at that period upon the subject. This message, it is believed, soon led to an adjustment of the points in dispute.—*Editor B. M.*

From the Annual Message to Congress, December, 1834.

The history of the accumulated and unprovoked aggressions upon our commerce, committed by authority of the existing governments of France, between the years 1800 and 1817, has been rendered too painfully familiar to Americans to make its repetition either necessary or desirable. It will be sufficient here to remark, that there has, for many years, been scarcely a single administration of the French government, by whom the justice and legality of the claims of our citizens to indemnity, were not, to a very considerable extent, admitted; and yet nearly a quarter of a century has been wasted in ineffectual negotiations to secure it.

After the most deliberate and thorough examination of the whole subject, a treaty between the two governments was concluded, and signed at Paris on the 4th of July, 1831, by which it was stipulated that "the French government, in order to liberate itself from all the reclamations preferred against it by citizens of the United States, for unlawful seizures, captures, sequestrations, confiscations or destruction of their vessels, cargoes or other property, engages to pay a sum of twenty-five millions of francs to the United States, who shall distribute it among those entitled, in the manner and according to the rules it shall determine;" and it was also stipulated on the part of the French government, that this twenty five millions of francs should "be paid at Paris in six annual instalments of four millions one hundred and sixty-six thousand six hundred and sixty-six francs and sixty-six centimes each, into the hands of such person or persons as shall be authorized by the government of the United States to receive it." The first instalment to be paid "at the expiration of one year next following the exchange of the ratifications of this convention, and the others at successive intervals of a year, one after another, till the whole shall be paid. To the amount of each of the said instalments shall be added interest at four per cent. thereupon, as upon the other instalments then remaining unpaid, the said interest to be computed from the day of the exchange of the present convention."

No legislative provision has been made by France for the execution of the treaty, either as it respects the indemnity to be paid, or the commercial benefits to be secured to the United States, and the relations between the United States and that power, in consequence thereof, are placed in a situation threatening to interrupt the good understanding which has so long and so happily existed between the two nations.

It is undoubtedly in the power of congress seriously to affect the agricultural and manufacturing interests of France, by the passage of laws relating to her trade with the United States. Her products, manufactures and tonnage, may be subjected to heavy duties in our ports, or all commercial intercourse with her may be suspended. But there are powerful, and, to my mind, conclusive objections to this mode of proceeding. We cannot embarrass or cut off the trade of France, without, at the same time, in some degree, embarrassing or cutting off our own trade. The injury of such a warfare must fall, though unequally, upon our own citizens, and could not but impair the means of the government, and weaken that united sentiment in support of the rights and honor of the nation which must now pervade every bosom. Nor is it impossible that such a course of legislation would introduce once more into our national councils those disturbing questions in relation to the tariff of duties which have been so recently put to rest.

It is my conviction, that the United States ought to insist on a prompt execution of the treaty, and in case it be refused, or longer delayed, take redress into their own hands. After the delay on the part of France of a quarter of a century in acknowledging these claims by treaty, it is not to be tolerated that another quarter of a century is to be wasted in negotiating about the payment. The laws of nations provide a remedy for such occasions. It is a well settled principle of the international code, that, where one nation owes another a liquidated debt, which it refuses or neglects to pay, the aggrieved party may seize on the property belonging to the other, its citizens or subjects, sufficient to pay the debt, without giving just cause of war. This remedy has been repeatedly resorted to, and recently by France herself towards Portugal, under circumstances less unquestionable.

The time at which resort should be had to this, or any other mode of redress, is a point to be decided by congress. If an appropriation shall not be made by the French chambers at their next session, it may justly be concluded that the government of France has finally determined to disregard its own solemn undertaking, and refuse to pay an acknowledged debt. In that event, every day's delay on our part will be a stain upon our national honor, as well as a denial of justice to our injured citizens. Prompt measures, when the refusal of France shall be complete, will not only be most honorable and just, but will have the best effect upon our national character.

Since France, in violation of the pledges given through her minister here, has delayed her final action so long that her decision will not probably be known in time to be communicated to this congress, I recommend that a law be passed, authorizing reprisals upon French property, in case provision shall not be made for the payment of the debt at the approaching session of the French chambers. Such a measure ought not to be considered by France as a menace. Her pride and power are too well known to expect any thing from her fears, and preclude the necessity of a declaration that nothing partaking of the character of intimidation is intended by us. She ought to look upon it only as the evidence of an inflexible determination, on the part of the United States, to insist on their rights.

BANK ITEMS.

MAHAWIE BANK—This bank which was chartered last winter, to be located in Great Barrington, Massachusetts, has gone into operation. Hon. Wilbur Curtiss, of Egremont, is its President, and Henry Hooker, Esq., formerly of Westfield, and for some years past of the Phenix Bank, Hartford, has been chosen Cashier.

MERCHANTS' BANK, BOSTON—John I. May, Esq., late discount clerk, has been elected cashier of the Merchants' Bank, Boston, in place of Lowell M. Stone, Esq., deceased.

SALEM BANK—George Peabody, Esq., has been elected President of the Salem Bank at Salem, Mass., in place of Benjamin Merrill, Esq., deceased.

CHESAPEAKE BANK—James Lownds, Esq., was elected Cashier of the Chesapeake Bank, Baltimore, on the eleventh day of October last, in place of Jonathan Pinkney, Esq., deceased.

BAY STATE BANK—This new bank, created by the legislature of 1847, has been established at the new and flourishing village of Lawrence, Mass., and is in operation. Nathaniel White, Esq., formerly Cashier of the Powow River Bank, at Salisbury, has been elected Cashier of the new institution.

OFFICIAL RAILWAY TRAFFIC RETURNS—FOR ONE WEEK IN SEPTEMBER, 1847.

Capital and Loan.	Amount Expended.	Cost per mile.	Dividend per cent. on paid-up capital.	Name of Railway.	Passengers, one week.	Rec'ts. 1 week.	Miles open.	Trav. perm. per week.
£ 160,000	£ 142,900	£ 9 526	£ 3 1/2	Arbroath & Forfar.....	2408	£ 215	15	£ 14
700,000	673,521	43,886	1 1/2	Chester & Birkenhead.....		824	15	55
600,000	689,248	19,693	4	Dublin and Drogheda.....	11,510	943	35	27
337,000	370,152	46,300	10	Dublin and Kingstown.....	55,623	1,218	72	152
2,300,000	2,112,136	45,916	4 1/2	Edinburgh and Glasgow.....	25,296	4,194	48	87
8,500,000	7,698,370	41,839	3 1/2	Eastern Counties and N. & E.....	61,216	12,269	184	66
2,000,000	1,148,218	40,007	3 1/2	East Lancashire.....	50,030	1,479	24	53
1,300,000	960,257	21,824	5	Eastern Union.....		1,238	44	28
2,554,550	1,765,036	29,417	5	Glasgow, Kilmarnock, & Ayr.....	18,706	2,762	60	46
866,666	829,427	35,451	2 1/2	Glasgow, Paisley & Greenock.....	17,359	1,337	22 1/2	59
1,600,000	675,540	11,960	7 1/2	Great Southern & Western (I.).....		2,037	80	25
15,446,660	12,255,739	50,023	7 1/2	Great Western.....		21,913	253	82
				Kendal and Windermere.....	3,542	221	10 1/2	21
1,366,000	1,291,913	18,456	10	Lancaster and Carlisle.....	5,569	1,689	70	24
22,989,300	20,010,467	52,800	10	London and North Western, &c.....		47,063	378 1/2	124
1,200,000	1,079,077	289,988	18s	London and Blackwall.....	79,916	1,187	3 1/2	316
7,441,333	5,659,181	34,091	4 1/2	London, Brighton & S. Coast.....	74,354	11,403	166	68
7,238,800	5,836,132	49,881	9	London and South Western.....		10,867	117	93
10,543,914	6,807,314	56,259	8	Manchester and Leeds.....		11,512	124 1/2	92
1,633,333	1,633,222	56,259	8	Man., Sheffield, and Lincolnshire.....	3,082	2,478	45	55
488,000	424,417	15,158	5	Maryport and Carlisle.....		629	28	22
11,000,000	10,258,600	27,650	5	Midland, Bristol, and Birm.....		21,162	371	65
1,250,000	1,202,000	20,000	5	Newcastle and Carlisle.....	16,521	2,354	60	39
1,500,000	1,375,633	16,776	5	Norfolk.....		2,324	82	28
2,000,000	1,997,988	27,369	7	North British.....		2,640	73	36
2,000,000	1,995,300	23,754	7	Paris and Rouen.....	23,710	9,307	84	110
1,200,000	1,000,000	16,950	3 1/2	Rouen and Havre.....		3,537	59	59
1,349,666	591,158	15,939	5	Shrewsbury and Chester.....	11,214	512	21	24
6,400,000	6,292,784	47,270	3 1/2	South Eastern.....	117,639	12,382	137	90
2,397,000	1,345,370	46,392	2 1/2	South Devon.....	13,693	1,067	29	37
600,000	648,348	21,610	2 1/2	Taff Vale.....		1,794	30	59
800,000	480,000	11,920	5 1/2	Ulster.....	12,196	800	25	32
4,500,000	3,683,102	18,324	6	York, Newcastle, and Berwick.....		12,615	201	62
4,500,000	4,200,000	22,460	10	York and North Midland.....	32,536	9,388	187	50

RAIL ROADS IN GREAT BRITAIN.

The preceding table furnishes particulars of the amount of business done on some of the English rail roads, during *one week* in September, 1847 : together with the capital subscribed, and amount authorised to be borrowed ; actual cost of each road ; cost per mile and annual dividends.—[Editor B. M.]

The principal railway companies in the United Kingdom, having lines completed and at work, are 28 in number ; the length of their lines in operation is 2418½ miles, and the total cost, to the dates of the last balance sheets, is £77,162,952. The dividends now paid upon the different items of which this capital is made up, vary from 2 to 10 per cent., in the following proportions : —

On £1,079,867	£2 0 per cent.	On 1,085,498	£5 10 per cent.
On 853,918	2 8 “	On 2,005,127	6 0 “
On 520,341	2 12 “	On 26,276,102	7 0 “
On 142,900	3 0 “	On 8,426,000	8 0 “
On 4,741,249	3 10 “	On 2,062,053	9 0 “
On 1,174,969	4 0 “	On 23,089,571	10 0 “
On 5,705,057	5 0 “		
£77,162,952			

The total dividend upon the various items above enumerated, amounts to £5,746,068 per annum, being an average of 7½ per cent., within a fraction, on the entire sum invested by the shareholders in these undertakings. It should be borne in mind, too, that the resources of many of these companies are, as yet, but imperfectly developed. In some cases the lines are but partially opened, and in others, such as the Great Western, though the main lines are complete, many of the tributaries essential to the full development of the system of which they form part, and from which much increased wealth and prosperity must necessarily flow, are, as yet incomplete, and have brought nothing to the general fund. *Lond. Miners' Journal.*

ENGLISH JOINT STOCK BANKS.

SEPTEMBER, 1847.

From the *London Economist*.

No. of Shares.	Dividends per annum		Shares.	Paid.	Price per sh.
22,500	-	Australasia.....	£ 40	£ 40	0 0 17½
20,000	5½ per ct.	British North American.....	50	50	0 0
6,000	6½ per ct.	Ceylon.....	25	25	0 0
	6½ per ct.	Commercial of London.....	100	20	0 0
20,000	5½ per ct.	Colonial.....	100	25	0 0
12,000	15½ per ct.	Gloucestershire.....			
4,000	6½ per ct.	Ionian.....	25	25	0 0
40,000	6½ & 8s bs.	London and Westminster.....	100	20	0 0 26½
		Ditto New.....		13	0 0 19
60,000	6½ per ct.	London Joint Stock.....	50	10	0 0
20,000	8½ per ct.	Provincial of Ireland.....	100	25	0 0 44½
4,000	8½ per ct.	Ditto New.....	10	10	0 0
20,000	5½ per ct.	National of Ireland.....	50	22	10 0
10,000	5½ per ct.	National Provincial of England..	100	35	0 0
10,000	5½ per ct.	Ditto New.....	20	10	0 0
		South Australia.....		22	10 0
20,000	6½ per ct.	Union of Australia.....	25	25	0 0 23½
10,000		Ditto Ditto.....		2	10 0
60,000	5½ per ct.	Union of London.....	50	10	0 0
15,000		Union of Madrid.....	40	40	0 0

LONDON INSURANCE COMPANIES.

SEPTEMBER, 1847.

The following Tables are extracted from the London "Economist:" one of the most valuable statistical journals that are now published. The market value of the stocks and the rates of dividend indicate great success on the part of the Life Insurance Companies. Those Companies marked † have agencies at New York.

No. of Shares.	Dividend.	Shares.	Paid.	Price per. sh.
2,000	3/ 10s	† Albion.....	£ 500	£ 50 0 0 75
50,000	6/ per ct.	Alliance British and Foreign....	100	11 0 0
50,000	6/ per ct.	Do. Marine.....	100	5 0 0
24,000	13s 6d p sh	Atlas.....	50	5 0 0
12,000	7s p sh	British Commercial.....	50	5 0 0 6½
5,000	5/ p c & bs	Clerical, Medical and General Life	100	10 0 0 20½
4,000	3/	County.....	100	10 0 0
	13s	Crown.....	50	5 0 0 11
20,000	6s	Eagle.....	50	5 0 0 5½
20,000	5/ per cent	English and Scottish Law Life..	50	2 12 6
4,651	5½ per cent	European Life.....	20	20 0 0
5,000	4/ & bonus	Family Endowment Society....	4	4 0 0
25,000	5/ per cent	Freemasons.....	20	3 0 0
1,000,000/	6/ per cent	Globe.....	Stk.	124
20,000	5/	Guardian.....	100	36 10 0 47
2,400	12/ per cent	Imperial Fire.....	500	50 0 0 210
7,500	12s	Imperial Life.....	100	10 0 0 4½
13,453	1/ sh & bs	Indemnity Marine.....	100	5 13 1
50,000		Law Fire.....	100	2 10 0
10,000	1/ 5s	Law Life.....	100	10 0 0 45
20,000		Legal and General Life.....	50	2 0 0
3,900	10s	London Fire.....	25	12 10 0
31,000	10s	London Ship.....	25	12 10 0
10,000		Marine.....	100	15 0 0
10,000	4½ per cent	Medical, Invalid, and General Life	50	2 0 0
25,000	5/ per cent	† National Loan Fund.....	20	2 10 0
5,000	8/ per cent	National Life	100	5 0 0
30,000	5/ per cent	Palladium Life.....	50	2 0 0
		Pelican.....		37
10,000	3/ p c & bs	Phoenix.....		185
50,000	5/ per cent	Protector Life.....	20	1 0 0 1/ 3s
2,000	1/ 5s	Provident Life.....	100	10 0 0
200,000	4s	Rock Life.....	5	0 10 0 4½
689,220/	5/ per cent	Royal Exchange.....	Stk.	181
	6½/	Sun Fire.....		
4,000	1/ 6s	Do. Life.....		
5,000	10½/ p cent	Universal Life.....	100	8 10 0
		Victoria Life.....		4 0 0

*Notes on the Money Market.**New York, October 23, 1847.*

Since the publication of our last No., there have been various causes prevailing to derange the money market at this central point, and thereby disturbing, in a greater or less degree, the minor points of the money circles. These proximate causes are, 1st. The numerous and heavy failures in London, Liverpool and various British and Continental cities: and, 2d. Unfavorable intelligence from Mexico, as to the prospects of peace.

The failures alluded to, were generally unexpected; the parties having enjoyed, until the last moment, high credit in Europe and America: and although the losses resulting do not fall heavily upon our own merchants, yet an immediate effect arising from the fall of such prominent houses is to cause distrust of nearly all sterling bills in the market: especially Southern and Western bills. In Wall street, remittances are now made either of bills drawn by our banks or by Wall street houses of long standing and of unquestioned ability. Such has been the caution on the part of buyers that the business has fallen temporarily into a few hands, and of course, prices have advanced: while some small shipments of coin have been made to Europe.

Sterling bills for the steamer of the 1st September, were drawn at $6\frac{1}{2} @ 7\frac{1}{4}$: for the steamer of the 1st October, $8\frac{1}{4} @ 9$: and at this date $9\frac{1}{4}$ is readily paid for No. 1 bills. It is understood that the agent of the Rothschilds has drawn sight bills at 10 prem. in favor of parties holding remittances on London that are under protest for non-acceptance or bills on houses that have suspended.

The news from Mexico falls likewise upon the money market, inducing the belief that peace is more remote than previously expected. While nearly all stocks are affected more or less by this cause, fancy stocks and government securities feel the weight most seriously. The new treasury loan which was negotiated at about 1 per cent. prem. and which has commanded various premiums ranging as high as $7\frac{1}{4}$ per cent., is now 103, and treasury notes $101 @ 101\frac{1}{4}$. The treasury has now nearly six millions of available cash and six millions of the loan not exhausted. The custom house receipts at the large cities, and at this point especially, are very great: indicating a heavy import trade.

This latter state of things is by no means flattering: it is deceptive: it is the precursor of distress. The general government is realizing millions of revenue at the manifest sacrifice of the labor of our own people. We are deriving millions of duties upon goods which our own labor could produce; and although, at a glance, it may seem a happy result, that the custom houses should pay so large a share of the burden of our expenditures, yet the conviction arises, that for every million of duties received we must pay five millions for European labor.

We must acknowledge, that the aggregate business of the year has been highly advantageous to the country, not only in a pecuniary way, but in demonstrating to Europe the immense agricultural resources of the Union. The actual wealth of the country has largely increased: yet the state of things existing at this moment, so far from indicating continued prosperity is pregnant with evil. A reaction in the commercial and financial circles must occur, if our imports and exports go on in the same ratio as for the last three months. It must be obvious, that the European markets for our surplus grain do not now require further shipments. This hitherto active source of gain is now stopped, but not the home demand for British and Continental manufactures.

Money is abundant for prime securities, but the operations are on a short time. The market is now largely supplied by capitalists who are unwilling to invest for a long period, while our relations with Mexico are so doubtful and while the government demand for coin continues unabated for its wants in that country.

The following is the circular of Messrs. Prime, Ward & Co., announcing their suspension, to which we alluded in our money article in October.

New York, 9th Sept., 1847.

Dear Sir—We regret to inform you that, owing to the recent failure of some of our correspondents in Europe, on whom we have a large amount of bills running, we feel it incumbent upon us, both from a sense of duty and as an act of prudence, to suspend our payments.

Very respectfully yours,

PRIME, WARD & CO.

The firm of Prime, Ward & Co. was composed of Mr. Edward Prime, Mr. Samuel Ward and Mr. John Ward, who was also a partner of the firm of John Ward & Co. Hence the following notice and advertisement:—

Notice.—John Ward this day retires from the firm of John Ward & Co.

JOHN WARD.

New York, 9th September, 1847.

The above notice was followed by another, from the long established house of John Ward & Co., announcing that their business would be carried on under a new name, by the remaining partners, viz.

Notice.—Mr. John Ward having this day retired from the firm of John Ward & Co., the business will be continued by the subscribers, the remaining partners of that firm, under the firm of Ward & Co.

WM. G. WARD,
NATHAN T. CARRYL.

New York, 9th September, 1847.

The London papers have since announced that the bills of Prime, Ward & Co. which had laid over for non-acceptance, were accepted *supra protest*, to the amount of £50,000, or upwards, under a guarantee by friends of the firm.

The suspension of Gower & Co. London, has caused the dishonor of certain bills, drawn by the Ohio Life and Trust Company, a branch of which is established at 45 Wall street. The cashier has giving notice, however, that these bills were for account of another institution; since ascertained to be the Nashville "Merchants' Insurance & Trust Co.," whose agency is at Philadelphia.

It is understood that the latter has since suspended payment; but we are glad to learn that no serious loss or inconvenience will arise to the Ohio Life & Trust Co. from these transactions with the Nashville Company.

The advices from England per steamer, which left Liverpool on the 4th October, furnish particulars of further and numerous failures, among houses of long established reputation. The failures during the months of August and September, are estimated to amount to ten millions sterling. A committee of the Liverpool stock exchange, had been selected in September, to confer with the rail road companies throughout the kingdom, upon the subject of rail road calls and the pressure upon the market. The committee say in their address, that the existing evil "has been seriously aggravated by the enormous sums which the railway companies have obtained and are still simultaneously attempting to raise, from their proprietors and the public; and that a perseverance in the same course will perpetuate the embarrassments which exist, not only in the railway interest, but in every branch of the industry and commerce of the country."

DEATHS.

AT BALTIMORE.—On Tuesday, October 5, Jonathan Pinkney, Esq., Cashier of the Chesapeake Bank, in the seventy-ninth year of his age. Mr. Pinkney held the post of the Cashier of the Union Bank of Maryland from December, 1819, to October, 1830; and was Cashier of the Chesapeake Bank, from the year 1837, until his death.

AT BOSTON.—In September last, Lowell M. Stone, Esq., Cashier of the Merchants' Bank, Boston.

THE
BANKERS' MAGAZINE,
AND
State Financial Register.

VOL. II. DECEMBER, 1847. NO. VI.

BANK STATISTICS.
VIRGINIA.

Farmers' Bank of Virginia and Branches.

<i>Liabilities.</i>	October, 1845.	October, 1846.	October, 1847.
Capital stock.....	\$ 2,675,600	\$ 2,676,900	\$ 2,978,700
Notes in circulation.....	2,062,230	2,210,170	2,943,674
Balances due to other banks.....	19,343	37,376	
Individual deposits.....	992,580	922,139	1,115,440
Surplus or reserved fund.....	219,058	238,353	263,159
Profits accrued since last dividend.....	70,300	76,489	90,124
In transitu between bank and branches	49,178	10,108	35,538
Total liabilities.....	\$ 6,088,290	\$ 6,171,536	\$ 7,426,636

Farmers' Bank of Virginia.

<i>Resources.</i>	October, 1845.	October, 1846.	October, 1847.
Debt outstanding.....	\$ 4,838,565	\$ 4,881,335	\$ 5,363,086
Sterling bills.....	14,046	50,251	45,101
Stocks.....	141,574	146,877	253,407
Specie on hand.....	680,170	743,787	990,388
Notes and checks of other banks.....	193,145	126,939	231,298
Balances due from other banks.....			302,644
Real estate.....	220,790	222,347	240,712
Total resources.....	\$ 6,088,290	\$ 6,171,536	\$ 7,426,636

N. B. An office of discount and deposit at Alexandria was established by this bank in June, 1847, with a capital of \$ 300,000 added to the institution.

Bank of Virginia and Branches.

<i>Liabilities.</i>	Oct. 1, 1845.	Oct. 1, 1846.	Oct. 1, 1847.
Capital stock.....	\$ 3,644,100	*\$ 2,550,870	\$ 2,550,870
Contingent fund.....	72,131	83,053	130,314
Profits (less expenses).....	58,103	58,266	66,465
Circulation.....	2,154,605	2,000,145	2,292,393
Due to other banks.....	194,135	183,380	106,337
Deposits.....	1,081,660	940,022	1,068,100
Balances, in transitu.....		3,804	27,556
Total liabilities.....	\$ 7,204,735	\$ 5,819,540	\$ 6,242,065
<i>Resources.</i>	Oct. 1, 1845.	Oct. 1, 1846.	Oct. 1, 1847.
Outstanding debt.....	4,987,730	4,303,913	4,545,664
Sterling bills.....	36,698	43,726	16,355
Real estate.....	347,531	206,370	196,317
Stocks.....	646,227	153,140	153,140
Specie.....	831,392	768,224	830,818
Bank balances and notes.....	316,646	344,166	445,944
Teller's defalcation at Lynchburg....			53,797
In transitu, &c.....	38,510		
Total resources.....	\$ 7,204,735	\$ 5,819,540	\$ 6,242,065

Exchange Bank of Virginia and four Branches.

<i>Liabilities.</i>	Oct. 1, 1845.	Oct. 1, 1846.	Oct. 1, 1847.
Capital.....	\$ 1,726,300	\$ 1,726,300	\$ 1,808,300
Circulation.....	711,352	572,726	1,088,664
Deposits.....	732,545	661,006	661,027
Bank balances.....	50,995	116,071	66,964
Surplus profits.....	136,502	135,748	153,880
Total liabilities.....	\$ 3,357,694	\$ 3,211,851	\$ 3,778,834
<i>Resources.</i>	Oct. 1845.	Oct. 1846.	Oct. 1847
Loans.....	2,426,204	2,340,738	2,739,623
Foreign bills.....	3,426	31,760	11,093
Virginia state stock.....	243,045	240,745	201,740
Exchange bank stock.....	19,435	6,450	
Bank balances.....	125,710	51,780	†252,928
Notes of Virginia banks.....	59,866	49,683	
Notes of other banks.....	49,586	45,357	
Banking houses and lots.....	82,796	82,908	†96,223
Other real estate.....	9,202	8,251	
Specie on hand.....	274,136	331,141	461,324
Resulting balances between bank and branches.....	34,288	23,038	15,903
Total resources.....	\$ 3,357,694	\$ 3,211,851	\$ 3,778,834

* The capital of the Bank of Virginia, consists of 36,441 shares, the par value of which was originally one hundred dollars. The par value was reduced in January, 1846, to seventy-five dollars per share.

† Including notes of other banks.

‡ Including real estate taken for debt.

Bank of the Valley and Branches.

<i>Liabilities.</i>	Jan. 1, 1845.	Oct. 1, 1846.	Oct. 1, 1847.
Capital stock.....	\$ 1,079,000	\$ 1,079,000	\$ 1,100,000
Notes in circulation.....	973,291	919,654	1,364,326
Bank balances.....	32,737	21,946	48,565
Discounts and profit and loss.....	45,380	32,664	28,620
Contingent fund.....	57,630	57,618	59,560
Individual deposits.....	211,694	256,365	367,618
Total liabilities.....	2,399,732	2,367,247	2,968,689
<i>Resources.</i>			
Notes discounted.....	1,571,182	1,606,608	1,621,513
Inland bills of exchange.....	77,561	152,433	143,294
Bond account.....	18,865	18,607	16,514
Stock (taken for debt).....	15,000	15,000	8,550
Real estate.....	49,010	50,366	50,266
Bank balances.....	219,642	164,425	636,375
Notes of Virginia banks.....	107,574		157,244
Notes of other banks.....	35,212	99,910	48,785
Specie in vault.....	297,025	259,898	285,548
In transitu.....	8,661		
Total resources.....	\$ 2,399,732	\$ 2,367,247	\$ 2,968,689

☐ An additional branch of the Bank of the Valley will go into operation during the present month at Staunton, with a capital of \$100,000, to be withdrawn from the mother Bank and branches.

Farmers' Bank of Virginia and Branches.

<i>Location.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
RICHMOND,	William H. Macfarland,	John G. Blair.	\$ 804,500
Charlottesville,	John R. Jones,	William A. Bibb.	104,100
Danville,	Nathaniel T. Green,	George W. Johnson.	120,000
Farmville,	William C. Flournoy,	Archibald Vaughan.	150,000
Fredericksburg,	John H. Wallace,	Arthur Goodwin.	260,000
Lynchburg,	William Radford,	Alexander Tompkins.	300,000
Norfolk,	N. C. Whitehead,	Richard H. Chamberlain.	290,000
Petersburg,	William Robertson,	Pleasant C. Osborne.	270,000
Winchester,	Robert L. Baker,	Joseph H. Sherrard.	250,000
Wytheville,	Stephen McGavock,	Thomas J. Morrison.	130,100
Alexandria,	Phineas Janney,	Washington C. Page.	300,000
			Aggregate capital, \$ 2,978,700

Exchange Bank of Virginia and Branches.

<i>Location.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
NORFOLK,	William W. Sharp,	Wright Southgate.	501,300
Richmond,	John C. Hobson,	William P. Strother.	500,000
Petersburg,	George W. Bolling,	Patrick Durkin.	500,000
Clarksville,	Francis W. Venable,	Augustus C. Finley.	200,000
Alexandria,	Robert Jamieson,	John Hooff.	107,000
			Aggregate capital, \$ 1,808,300

BANKS OF GEORGIA.

Bank of the State of Georgia and Branches.

<i>Liabilities.</i>	Oct. 1845.	April, 1846.	2d Oct. 1847.
Capital.....	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Dividends unclaimed....	5,460	5,355	6,241
Discounts, &c.....	63,570	80,571	70,754
Surplus fund.....	16,556	8,670	16,156
Circulation.....	571,671	789,848	860,853
Deposits.....	392,993	458,782	379,718
Balances between bank and branches.	5,774	472,732	364,650
Bank balances.....		57,952	56,270
Total liabilities.....	\$ 2,556,026	\$ 3,373,911	\$ 3,260,702
<i>Resources.</i>			
Discounted notes.....	1,212,050	1,317,147	1,322,474
Discounted bills of exchange.....	172,873	419,524	276,032
Stocks, bonds, &c.....	363,185	333,776	369,306
Expense account.....	18,979	20,356	19,204
Real estate.....	163,141	156,103	148,970
Due by other banks.....	57,593	96,363	217,133
Circulation on hand.....	52,848	56,339	
Notes of other banks	34,907	93,473	82,442
Specie on hand.....	466,567	395,246	466,347
Balances between bank and branches.		474,009	353,694
Judgments, &c.....	13,883	11,574	5,100
Total resources.....	\$ 2,556,026	\$ 3,373,911	\$ 3,260,702

Bank of Augusta.

<i>Liabilities.</i>	April 6, 1846.	October 4, 1847.
Capital stock.....	\$ 719,800	\$ 650,700
Notes and circulation.....	157,473	317,127
Individual deposits.....	122,633	65,037
Due banks.....	17	
Profits undivided.....	82,604	49,330
Dividends unpaid.....	4,232	4,941
Total liabilities.....	\$ 1,086,759	\$ 1,087,135
<i>Resources.</i>		
Loans and real estate.....	972,480	827,197
Northern exchange and bank balances.....	11,550	117,523
Specie on hand.....	58,830	130,860
Bank notes.....	36,374	8,620
Expense account.....	7,525	2,934
Total resources.....	\$ 1,086,759	\$ 1,087,135

Recapitulation of the Banks of Savannah and Augusta, October, 1847.

<i>Savannah.</i>	<i>Capital.</i>	<i>Circulation.</i>	<i>Specie.</i>
Bank of the State of Georgia and Branches,	1,500,000	866,000	466,000
Central R. R. and Banking Company.....	205,500	44,000	11,000
Marine and Fire Ins. Bank and Branch....	400,000	477,000	198,000
Planters' Bank.....	535,000	254,000	147,000
<i>Augusta.</i>			
Augusta Banking and Ins. Company.....	375,000	164,000	108,000
Bank of Brunswick.....	200,000	221,000	73,000
Bank of Augusta.....	650,700	317,000	130,000
Georgia R. R. and Banking Co.....	375,000	293,000	75,000
Mechanics' Bank.....	500,000	565,000	240,000
Total Savannah and Augusta	\$ 4,741,200	\$ 3,201,000	\$ 1,448,000

Central Rail Road and Banking Co., Savannah.

<i>Liabilities.</i>	<i>October 5, 1847</i>
Bank capital.....	\$ 205,500
Rail road capital.....	1,843,665
Capital stock guaranteed.....	500,000
Circulation (less amount on hand).....	44,811
Rail road bonds, and tickets.....	213,060
Deposits, and unpaid dividends.....	38,690
Reserved fund, profits, suspense account.....	174,733
Bank balances.....	13,763
Total liabilities.....	\$ 3,034,221
<i>Resources.</i>	
Loans, advances, &c.....	258,450
Bank balances.....	16,430
Bank stocks.....	20,000
Banking houses, real estate.....	43,436
Rail road, and appurtenances.....	2,600,000
Rail road salaries, expenses, &c.....	77,834
Specie on hand.....	11,144
Notes and checks of other banks.....	6,923
Total resources.....	\$ 3,034,221

Bank of the State of Georgia and Branches.

	<i>Discounted notes.</i>	<i>Banking house.</i>	<i>Specie.</i>	<i>Capital.</i>	<i>Circulation.</i>
Savannah.....	\$ 540,061	\$ 20,000	\$ 154,754	\$ 750,000	\$ 443,511
Augusta.....	274,471	12,000	137,566	450,000	187,062
Milledgeville.....	18,320				2,750
Washington.....	118,240	9,300	47,480	100,000	90,640
Eatonton.....	175,580	5,500	43,496	100,000	107,826
Greensboro.....	1,033	5,000			1,717
Macon.....	28,538	13,901	2,073		3,724
Athens.....	166,230	8,600	79,300	100,000	124,359
Griffin.....		1,000	1,678		
\$ 1,322,473	\$ 75,301	\$ 466,347	\$ 1,500,000	\$ 961,889	

TENNESSEE.

Farmers and Merchants' Bank of Memphis.

<i>Liabilities.</i>		October, 1847.
Capital stock.....	\$ 590,750	00
Balance due for bank lot.....	1,695	00
Checks on time.....	2,089	30
Due to banks and agents.....	27,024	24
Suspended account.....	1,272	00
Memphis Hospital.....	100	68
Contingent fund.....	83,212	56
Dividends unpaid.....	3,045	00
Profit and loss.....	32,149	65
Individual depositors.....	80,154	88
Circulation.....	294,895	00

Total liabilities..... \$ 1,116,388 21

<i>Resources.</i>		October 1, 1847.
Notes discounted.....	161,786	96
Bills of exchange.....	180,649 47—	342,436 42
Suspended debt.....	530,224	25
W. B. Partee, agent.....	56,254	44
Due from banks and agencies.....	36,134	02
Memphis city bonds.....	4,000	00
Real estate, old banking house.....	17,250	00
“ “ new do.....	15,416	11
“ “ received for debt.....	46,303 00—	78,969 11
Bank stock received for debt.....	31,550	00
Notes of other banks and specie.....	36,819	97

Total resources..... \$ 1,116,388 21

The bank suspended specie payments in the spring of 1847, and is now in course of liquidation.

Bank of Virginia and Branches.

<i>Location.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
RICHMOND,	James Caskie,	Samuel Marx.	810,870
Charleston,	James C. McFarland,	Samuel Hannah.	150,000
Danville,	Thomas C. Atkinson,	C. B. Taliaferro.	70,000
Fredericksburg,	Hugh Mercer,	William J. Roberts.	290,000
Lynchburg,	C. Dabney,	John M. Otey.	300,000
Norfolk,	Edward I. Higgins,	Robert W. Bowden.	200,000
Petersburg,	Joseph Bragg,	George W. Stainback.	400,000
Buchanan,	James L. Woodville,	Jordan Anthony.	105,000
Portsmouth,	John A. Chandler,	William H. Wilson.	225,000

Aggregate capital, \$ 2,550,870

The returns of several of the Georgia Banks reached us too late for publication in our November number. The recapitulation annexed, will furnish our readers with the comparative condition of the several banks of Savannah and Augusta.

BANKS OF NEW HAMPSHIRE.

Report of the Committee on Banks, June, 1847.

The committee on banks, to whom was referred the returns of the several banks in this state, and the reports of the bank commissioners in reference thereto, have directed me to make the following report:

The committee, after due examination of the returns from the several banks, find them to have been made in conformity to law. And they have appended an abstract thereof to this report, showing the condition of said banks, on the first Monday of June, inst. By a comparison of this abstract with that of June, 1846, the following facts will appear:—That three additional banks have gone into operation; that \$332,000 has been added to our capital invested in banking; and that the several banks have extended their discounts to the amount of \$655,931 27. The increase indicated, below, has taken place, in the immediate means and immediate liabilities of these banks.

Means.

Deposits for redemption of their bills,	75,496 78
Bills of other banks,	44,332 44
Specie,	7,720 24
	<hr/>
	\$ 127,549 46

Liabilities.

Deposits,	96,114 90
Circulation,	332,109 00
	<hr/>
	\$ 428,223 90

The reports of the bank commissioners do not, in all cases, disclose the information necessary to show whether the laws in reference to banking have been violated. For instance, the liabilities of the directors of the Manchester, Ashuelot, Belknap County and Rochester banks, and of one of the directors of the manufacturer's bank at New Ipswich, to their respective institutions, are particularly stated, but it no where appears by the reports, what amount of stock is owned by said directors.

The committee, from all the facts before them, are of opinion, that while there is a considerable difference in the relative strength of the several banking institutions in this state, a difference which will appear from an examination of the abstract hereto appended, there is no reasonable ground to doubt that they, all of them, possess the ability to redeem their circulation, and meet all claims against them, of the public at large.

New Market Savings Bank.

Most of the depositors in this bank are female operatives in the mills of the New Market Manufacturing Company. One of those operatives now has a deposit in this bank of \$ 679 38, which has been earned by her in the mills; and some of the accounts now closed show a much larger sum earned and deposited by the same class of persons. Dividends have been made semi-annually, at the rate of four per cent. per annum. There is an extra dividend made once in five years.

BANKS OF NEW HAMPSHIRE.

Their liabilities and resources, and dates of charter, from the Official Report of the Secretary of State, June, 1847.

Chart'd.	Location.	Capital.	Loans.	Specie.	Deposits.	Circulation.	Cashier.
Connecticut River Bank.....	Charlestown.....	\$ 60,000	\$ 136,213	\$ 4,765	\$ 33,490	\$ 51,590	George Olcott,
Merrimac County Bank.....	Concord.....	80,000	139,738	13,513	43,538	77,637	Ebenezer S. Towle.
Mechanics' Bank.....	Concord.....	100,000	202,623	7,857	48,284	94,828	George Minot.
1845 Dover Bank.....	Dover.....	75,000	144,805	5,976	25,425	70,820	Andrew Pierce.
1846 Strafford Bank.....	Dover.....	100,000	147,110	4,599	11,832	54,859	Asa A. Tufts.
Derry Bank.....	Derry.....	100,000	133,206	3,031	1,831	49,983	James Thom.
Granite Bank.....	Exeter.....	100,000	164,972	6,339	10,772	76,050	James Burley.
1846 Great Falls Bank.....	Great Falls.....	100,000	142,275	3,055	16,763	60,433	David H. Bulfum.
Ashuelot Bank.....	Keene.....	100,000	200,892	6,246	19,620	92,130	Thomas H. Leverett.
Cheshire Bank.....	".....	100,000	189,590	5,279	25,219	82,418	Zebina Newell.
1833 Lancaster Bank.....	Lancaster.....	50,000	101,793	1,550	19,330	37,127	George A. Cossitt.
1828 Lebanon Bank.....	Lebanon.....	100,000	145,675	10,974	14,925	94,780	James H. Kendrick.
1846 Belknap County Bank.....	Meredith.....	50,000	77,077	3,239	4,984	46,012	John T. Coffin.
1844 Manchester Bank.....	Manchester.....	75,000	143,357	5,164	13,342	73,196	Nathan Parker.
Nashua Bank.....	Nashua.....	100,000	229,919	15,326	63,536	99,312	John M. Hunt.
Manufacturers' Bank.....	New Ipswich.....	100,000	137,734	6,883	2,175	62,624	George Barrett.
1832 Rockingham Bank.....	Portsmouth.....	100,000	209,012	10,084	43,749	89,666	Jacob S. Pickering.
1844 Piscataqua Exchange Bank..	".....	200,000	389,670	10,403	62,480	176,056	Samuel Lord.
1844 Mechanics and Traders' Bank	".....	100,000	231,162	11,812	72,039	87,507	James F. Shores.
Rochester Bank.....	Rochester.....	100,000	139,310	7,913	4,716	45,044	John McDuffie, Jr.
Total, June, 1847,		\$ 1,859,000	\$ 3,406,033	\$ 144,018	\$ 538,058	\$ 1,512,072	

CURRENCY AND BANKING.

BY NICHOLAS BIDDLE.

The following queries were propounded to Mr. Biddle while president of the U. S. Bank, by Mr. Cambreleng, at the examination of the affairs of that bank, in 1833. We now republish the queries and replies for the benefit of those who are not familiar with the bank history of that period.

[Editor B. M.]

14. *Mr. Cambreleng*—If banks were restricted to dealing and lending capital only, or the representative of an existing capital, and were not permitted to manufacture and lend the representative of nothing but legislative power, how could banks ever injure the trade or currency?

Mr. Biddle—I fear I do not comprehend all this. Our banks have, or think they have, a substantial capital, and I doubt whether it is true that they are merely engaged in "manufacturing the representative of nothing but legislative power."

15. *Mr. C.*—If banks were restricted to their legitimate and primary object of borrowing and lending the capitals actually existing in the community, might they not go on annually regulating their facilities and their profits in a rate corresponding with the annual savings of labor and accumulations of capital, and without detriment to trade or currency?

Mr. B.—I should think that the legitimate and primary object of banks is to *lend, not to borrow.*

16. If the Bank of the United States and its branches were compelled to allow an interest on all deposits, public and private, would it not draw into actual use millions of capital now dormant, and compel every state bank in the union to adopt the same plan of banking?

I think it would do neither.

18. Would not such a measure effectually check any over issues by compelling the banks to loan the large amount of capital upon which they were obliged to pay interest before they could be tempted to manufacture a bank note capital for uses of trade?

The question seems to answer itself, for so far from checking over issues, it would be the best contrivance to render them almost inevitable. The case stands thus—At present it is feared that banks lend too much on what is here termed bank note capital—so to remedy that, the plan is to force the banks to allow interest on the deposits—because then they will be "compelled to loan the large amount of capital" upon which they were obliged to pay interest, *before* they would be tempted to manufacture a bank "capital." That is to say, before they come to the profitable part of their business, they must *lend a large amount*, in order to cover the interest they have to pay. Such a plan I should think a constant stimulus to lend too much—when a bank pays no interest on deposits, the temptation to excessive issues, can scarcely be as strong as when it is goaded into lending, in order not to lose by the interest it must pay on deposits.

18. Would it be practicable for banks to sustain any extraordinary amount in circulation when their notes would return upon them as fast as they were issued, because the holders would lose the interest upon them while they retained them?

It would depend entirely on the circumstance whether the holder of the notes, could make more by the use of them, than by returning them.

19. Is that not a fallacious plan of banking, the object of which seems to be to save interest by substituting bank notes for a metallic currency, while

a portion of the community annually lose the interest on five times that amount, composed of bank deposits and dormant capitals?

20. If we were to change our banking system, and call into active use all the savings of labor, the profits of trade, and the annual accumulations of income, by compelling all our banks to allow an interest of four per cent. on all deposits, is it not probable that a capital would be drawn from those sources for the uses of trade five times greater than any amount of paper money which all the banks in the union could possibly sustain in circulation?

I see no fallacy in the present plan and no advantage in the proposed change of it. Undoubtedly the substitution of paper for coin saves interest on the coin which it replaces, quite equal, I should think, to the capital which would be rendered active by the suppression of the paper. In addition to their present circulation, the banks might "possibly sustain" an amount which would make the whole one hundred and fifty millions. Five times one hundred and fifty millions makes seven hundred and fifty millions: and it is said that the offer of four per cent. interest would rouse into commercial activity these seven hundred and fifty millions. I somewhat doubt this. Interest in the United States varies from five to six, seven and eight, and even ten per cent. If this dormant capital has resisted these rates, I fear it would not be awakened by four per cent. I doubt the more because in many cities of the United States there already exist banks or saving funds, or some institution of charity or trade which have for years pursued this very plan of giving interest on deposits—and yet the 750 millions have not shown themselves.

But there is an objection to the change of system which seems to me final and fatal. At present a bank discounts on its own capital; if deposits are added, they are welcome; but they are not paid for; and the bank does business in proportion to its capital which being unchanged, the business partakes of this uniformity. But if, as is now proposed, the bank should have no capital of its own, but do business on capital which it has borrowed from others and on which it pays interest, two things seem inevitable—first, that the bank must do a much greater amount of business in order to make an equal profit and that it will be perpetually goaded into excessive business in order to pay for the use of its borrowed capital. And secondly, that the business of such a bank must be in a far greater state of uncertainty and fluctuation than that of other banks—because whenever there is a demand for money, whenever a greater interest can be made out of doors than by leaving the money in the bank, these deposits will of course be withdrawn, and the bank, just at the moment when it might be useful in sustaining trade, would find its whole borrowed capital melting away from under it.

21. Were we to adopt that system would not trade safely regulate itself, and keep pace with the annual accumulations of capital; and would not capital increase more rapidly than it now does under a new banking system, which substitutes a paper representative of power, and excludes from the active uses of trade a much larger amount of the real wealth of the country?

Trade contrives now to regulate itself well without the proposed improvement, which I should think not calculated to hasten the increase of capital.

22. Were all the banks of the union compelled at once to become borrowers of, and to cease manufacturing capital, could not the change be effected without any derangement of trade or currency?

Mr. Gallatin estimated that in January, 1830, there were three hundred and thirty banks, having a capital of 145,192,268 dollars. If these banks were "at once," instead of lenders to become borrowers, such a transition would be a highly interesting movement; but I am inclined to think that "trade and currency" would be a little deranged before the process subsided.

23. When bankers lend their own money, or the money of others upon which they pay interest, have you ever noticed that extraordinary but imaginary deficiency of capital which we hear of periodically in every country where banks are permitted to lend without restriction or any self-regulating principle, a currency manufactured by themselves?

I have never noticed any periodical deficiency of capital which was at once "extraordinary but imaginary," and as far I am acquainted with the banks of this country, they are not permitted to lend without restriction or any self-regulating principle. What I have noticed is this—that the bankers of England "lend their money or the money of others, on which they pay interest," and that for ten years past the failures among these English bankers have been more numerous in the proportion of six or seven, and probably ten to one, than the failures of American banks.

24. May not a bank note currency be safely tolerated, where the mass of your capital for the active uses of trade is drawn from other legitimate sources, and where your paper circulations must necessarily bear but a small proportion to the amount of your deposits, as in Scotland?

25. In Scotland, the bank deposits in 1826, amounted to about twenty-four millions sterling, say in our money, one hundred and twenty millions of dollars, more than half of which amount was composed of deposits in sums under one thousand dollars, and drawn from the laboring classes, its circulation, which had been gradually enlarging for more than one hundred and thirty years, was about three and one-third millions sterling—equal, in our money, to about sixteen millions of dollars. Suppose the bank deposits of Scotland now to be one hundred and fifty millions, and its circulation eighteen millions—can the trade of Scotland ever suffer from reactions while it is sustained by so large an aggregate of real and active banking capital, or its currency ever be agitated while the amount of notes in circulation scarcely exceeds one-tenth of the amount of bank deposits?

26. If the trade of Scotland depended, as ours does, not upon the accumulations of a capital which never diminishes, but on a capital manufactured by five hundred banks, and which diminishes with every reaction, and may almost vanish with a panic, would not Scotland suffer as we do, and as they frequently have done in England, from every convulsion in the money market?

27. Suppose our trade were sustained by deposits, (in a ratio to those of Scotland,) to seven hundred and fifty millions, and facilitated by a paper currency of ninety millions; is it your opinion that our country could ever suffer, in peace or in war, from a scarcity of money or a want of confidence?

28. If we were to oblige our banks to pay an interest of four per cent. on all deposits, would not our laborers, mechanics, traders, farmers, nay, all our productive classes, become lenders of capital to give activity to trade, and enlarge the employment of laborers, and would not the ability of the Bank of the United States to facilitate trade, be tripled in a few years?

29. Is not the Scotch plan of banking more profitable to the banks and the community, than adopted in any other country?

30. If this plan should not be adopted by congress and our state legislatures, would not redundant circulations be effectually checked by limiting dividends to six per cent. and compelling the banks to divide their profits?

The inquiries from twenty-four to thirty inclusive, relate to Scotch banking. Scotch banking is doubtless an excellent system for Scotch people, but these peculiarities are difficult to transplant among a people of totally different manners, habits and modes of existence; and as their English, Irish, French and Dutch neighbors, who are the more immediate witnesses of its merits, have never adopted the system, I should hesitate to recommend it

for this country. It suits Scotland because it has grown up with the trade of Scotland. For the same reason our system does probably better for us than any scheme which could be imported. Our whole trade and business has been connected with the system, and the general prosperity which has accompanied it, proves that if it has not caused, it has not marred, the advances of the country. I doubt whether it would be judicious, as is here suggested, to destroy all banks, or to take away their capitals, or to make them pay interest on their deposits, or, in short, to do any thing with them. The whole machinery works well. It moves harmoniously with all our systems of government. The government of the states, with the addition of the national government, form our political system. The state banks, with the addition of the national bank, is the analogous arrangement of the banking system.

The idea at the present day of doing the business of this country without banks, would be equal to the project of renouncing canals, and rail roads, and steamboats, and all the other improvements belonging to trade.

That banks do occasional mischief there can be no doubt; but until some valuable improvement is found which supplies unmixed good, this is no objection to them. And constituted as they now are, the banks of the United States may be considered safe instruments of commerce.

During the last ten years, for every American bank which has failed, there have probably been at least six or eight English banks which failed. In 1825-6, no less than seventy-six to one hundred English banks failed at once.

On the whole it seems wiser to retain the established institutions of the country, instead of resorting to doubtful and hazardous experiments. What is wanted, I think, in our banking system is this—First, to widen the basis of the metallic circulation, by abolishing the use of all small notes, so as to allow coin to take the place of them, as it inevitably would. And second, to annex to the non-payment of specie by the banks, so heavy a penalty, say an interest of 12 per cent. as in the bank of the U. States, or 24 per cent. as in some of the Jersey banks, as would deprive the banks of all temptation to incur the risk of insolvency.

These simple measures would, in my judgment, be far preferable to any other plans suggested in these inquiries—better than the plan of destroying all the banks in the country—better than the plan of making them pay four per cent. interest—better than the plan of limiting the dividends to six per cent. and better than the plan of compelling them to divide their profits, instead of husbanding some portion of them to provide against contingencies.

STATE FINANCES.

Extract from the Annual Message of Governor Aaron V. Brown, to the Legislature of Tennessee, October, 1847.

In the discharge of the various duties which devolve upon you, none will require more earnest investigation and patient deliberation, than those connected with the important interests which the people have in the successful management of the Bank of Tennessee. You cannot exercise too much care in looking into its present condition and its past management, with the view of discovering any defects, that may exist in its present organization, and of devising the best measures for increasing its usefulness and prosperity. When it went into operation, it was regarded by many as an experi-

ment which would inevitably terminate disastrously at an early day. The absence of the grand conservative principle of individual interest was the alleged capital defect in its organization, on which these predictions were based of its early failure. To this suggestion it was answered, that the combination of the interests of internal improvements, and education with banking, would furnish a substitute for individual interest, equally efficacious in securing a faithful and successful administration of its affairs. The experiment has now been on trial for nine years, a period sufficiently long to enable you to form a reliable opinion as to the probable success or failure of the experiment.

If a careful investigation into its operations and its present condition, shall satisfy you that it has failed to accomplish in a reasonable degree the important object of its creation, and that it is destined unavoidably to end in ruin and disaster, it will become your imperious duty to avert the threatened blow by an immediate provision for the gradual settlement and liquidation of its affairs. If, on the contrary, such an investigation shall produce the conviction that the public interest would be promoted by its continuance, the duty of exerting the utmost possible vigilance in guarding it against future mismanagement and misfortunes, will devolve upon you.

Without assuming to pass sentence on the wisdom of establishing the bank at all, or of uniting in one system the interests of banking, internal improvement and education, I have no hesitation in announcing to you that my investigations into its past transactions and its present condition, have disclosed to my mind no satisfactory reasons for recommending its discontinuance and abandonment. So far as the bank was designed to furnish a sound and safe circulating medium, it must be admitted that it has been thus far entirely successful. Its influence, in mitigating the pressure of the pecuniary embarrassments which have prevailed during several years of its existence, has been universally acknowledged.

The friends of education have abundant cause to be well pleased with its promptness and fidelity in the fulfilment of its obligations to common schools and academies, whilst the present high credit enjoyed by our state securities fully attests its successful management of that branch of our financial affairs which has devolved upon it. Within the last nine years the bank has paid an aggregate sum of more than two millions of dollars, which has been appropriated by the state in diffusing the benefits of education and in the payment of the accruing interest on her debt. Within the same period the net profits of the institution have fallen but little short of two millions of dollars, showing an annual average profit of two hundred and sixteen thousand dollars, an amount equal to nearly eight per cent. on its actual capital.

These results would seem to go very far towards proving that the experiment has been successful, and must have a strong tendency to dissipate the fears of those who have looked to its failure as inevitable—unless it shall be found upon investigation, that the losses sustained have been unreasonably large.

In the examination of this point, it will become material to ascertain at what period of time the largest portion of the losses have occurred, and if it shall be found, as it is believed to be true, that they occurred at an early period, and before certain important amendments were made to the charter, and that very little has been lost since that time, it will rather furnish a reason for an increased diligence in seeking for other defects, than for the total abandonment and annihilation of the system. The main ground on which it has been maintained that the bank has been unsuccessful in accomplishing the objects of its creation, is furnished by the fact that its annual profits are not sufficient to meet the annual payments required to be made. This objection

should have but little weight, if the burdens imposed upon it are unreasonably great, and that this is the case will admit of no doubt, when it is recollected that the payments required to be made annually, amount to about two hundred and seventy thousand dollars—an amount equal to more than nine per cent. on its actual capital.

In coming to the conclusion that the bank ought not to be discontinued and wound up under existing circumstances, (whatever my opinion about banks of paper issue may be,) I have not failed to be duly impressed by the unavoidable pressure in our monetary affairs, which would occur by the withdrawal of so large a portion of our circulating medium, as is now furnished by it, and by the collection of so large an amount of debts as are due to it. This pressure might be greatly mitigated, but could not be entirely avoided by adopting a liberal policy in the gradual liquidation of its affairs; nor have I overlooked the difficulties and embarrassments which would be encountered in providing the means of meeting the liabilities imposed upon the bank during the time required for its liquidation.

Influenced by these considerations, I cannot recommend the discontinuance of the bank, but instead thereof, your attention is most earnestly invited to the investigation of such measures as shall promise to increase its profits, and render them sufficient to meet its liabilities. In view of the fact that for several years past, the profits made at most of its branches have been greater than those made at the principal bank, in proportion to the capital respectively employed by them, I submit to you whether the three branches now in a state or process of liquidation, may not be advantageously restored. In making this suggestion, it is proper for me to remark that it is founded on information not possessed at the former session of the general assembly, and is not intended as a condemnation of the act by which these branches were discontinued—that act might well be justified under the impressions which prevailed at the time of its passage.

It is now believed, however, that the progress made in settling their affairs, will show that these impressions were materially erroneous, and that the losses sustained ought not to prejudice the claims of those interested in the restoration of these branches—being fully satisfied from a careful view of the character of the population interested, the anxiety which exists amongst them for additional banking facilities, (whilst the present form of the banking system continues,) and the increasing commercial interests at each of the places, I am constrained to recommend to you that these branches be restored. In connection with this subject, I feel it also my duty to call your attention to the claims of the city of Memphis to an increase of its banking facilities. The rapid growth of this flourishing city, based upon its important commercial interests and advantages, would indicate it as one of the most eligible points in the state for profitable banking, and under this conviction, if you determine in favor of the continuance of the principal bank, I recommend the establishment of a branch or agency of the Bank of Tennessee at Memphis, with such capital as can be advantageously furnished by the institution. But I cannot indulge the hope that the adoption of these suggestions, would enable the bank to increase its profits to such an extent as would meet all its liabilities—the necessity would, therefore, still exist for an investigation of the best means of diminishing the present liabilities of the bank. These liabilities at present amount to about two hundred and seventy thousand dollars annually, whilst the annual average profits heretofore have been about two hundred and sixteen thousand dollars.

By an act passed in 1844, the treasury is required to make up the deficiency unavoidably occurring on account of the inability of the bank to make

profits sufficient to meet the liabilities chargeable upon it. I submit to you whether a sinking fund could not be set apart by the treasury, without any increase of taxation, to be annually vested in the purchase of state bonds at their current value, as a means of gradually reducing the liabilities of the bank to a sum that would not exceed the amount of its profits. This suggestion will receive additional weight from the consideration that, under existing circumstances, the deficiency may be permanent, and, therefore, constitute a permanent drain upon the treasury. It is believed that a sinking fund of \$100,000 furnished by the treasury for five years, would so far reduce the state debt, and consequently the liabilities of the bank, as would enable the institution after that time to meet all the burdens imposed upon it. It gives me great pleasure to express to you the belief that the bank has been faithfully and satisfactorily managed during the last two years. The report of the president and directors will contain all the information necessary to enable you to understand its present condition, and to devise the proper measures for rendering it more useful and profitable in future, whilst it will exhibit a very large increase of profits during the last two years.

LETTER TO A STUDENT.

BY WILLIAM WIRT.

Baltimore, December 20, 1833.

MY DEAR SIR: Your letter, dated "University of —, December 12," was received on yesterday morning—and although it finds me extremely busy in preparing for the supreme court of the United States, I am so much pleased with its spirit, that I cannot reconcile it to myself to let it pass unanswered. If I were ever so well qualified to advise you, to which I do not pretend, but little good could be done by a single letter, and I have not time for more. Knowing nothing of the peculiarities of your mental character, I can give no advice adapted to your peculiar case. I am persuaded that education may be so directed by a sagacious and skilful teacher, as to prune and repress those faculties of the pupil which are too prone to luxuriance, and to train and invigorate those which are disproportionately weak or slow; so as to create a just balance among the powers, and enable the mind to act with the highest effect of which it is capable. But it requires a previous acquaintance with the student, to ascertain the natural condition of his various powers, in order to know which requires the spur and which the rein. In some minds imagination overpowers and smothers all the other faculties; in others, reason, like a sturdy oak, throws all the rest into a sickly shade. Some men have a morbid passion for the study of poetry—others, of mathematics, &c. All this may be corrected by discipline, so far as it may be judicious to correct it. But the physician must understand the disease, and become acquainted with all the idiosyncracies of the patient, before he can prescribe. I have no advantage of this kind with regard to you; and to prescribe by conjecture, would require me to conjecture every possible case that *may be yours*, and to prescribe for each, which would call for a ponderous volume instead of a letter. I believe that in all sound minds the germ of all the faculties exists, and may, by skilful management be wooed into expansion: but they exist naturally, in different degrees of health and strength, and as this matter is generally left to the impulses of nature in each individual, the healthiest and strongest germs get the start—give impulse and direction to

the efforts of each mind—stamp its character and shape its destiny. As education, therefore, now stands among us, each man must be his own preceptor in this respect, and by turning his eyes upon himself, and describing the comparative action of his own powers, discover which of them requires most tone—which, if any, less. We must take care, however, not to make an erroneous estimate of the relative value of the faculties, and thus commit the sad mistake of cultivating the showy at the expense of the solid. With these preliminary remarks, by way of explaining why I cannot be more particular in regard to your case, permit me, instead of chalking out a course of study by furnishing you with lists of books and the order in which they should be read, (and no list of books and course of study would be equally proper for all minds,) to close this letter with a few general remarks.

If your *spirit* be as stout and pure as your letter indicates, you require little advice beyond that which you will find within the walls of your university. A brave and pure spirit is worth more than "*half the battle*," not only in preparing for life, but in all its conflicts. *Take it for granted, that there is no excellence without great labor.* No mere aspirations for eminence, however ardent, will do the business. Wishing, and sighing, and imagining, and dreaming of greatness, will never make you great. If you would get to the mountain's top on which the temple of fame stands, it will not do to *stand still*, looking, admiring, and wishing you were there. You must gird up your loins, and go to work with all the indomitable energy of Hannibal scaling the Alps. Laborious study, and diligent observation of the world, are both indispensable to the attainment of eminence. By the former, you must make yourself master of all that is known of science and letters: by the latter, you must know *man*, at large, and particularly the character and genius of your own countrymen. You must cultivate assiduously the habits of *reading, thinking and observing.* Understand your own language, grammatically, critically, thoroughly: learning its origin, or various origins, which you may learn from Johnson's and Webster's prefaces to their large dictionaries. Learn all that is delicate and beautiful, as well as strong, in the language, and master all its stores of opulence. You will find a rich mine of instruction in the splendid language of Burke. His diction is frequently magnificent; sometimes too gorgeous, I think, for a chaste and correct taste; but he will show you all the wealth of your language. You must, by ardent study and practice, acquire for yourself a *mastery* of the language, and be able both to speak and to write it, promptly, easily, elegantly, and with that variety of style which different subjects, different hearers, and different readers, are continually requiring. You must have such a command of it as to be able to adapt yourself, with intuitive quickness and ease, to every situation in which you may chance to be placed—and you will find no great difficulty in this, if you have the *copia verborum* and a correct taste. With this study of the language you must take care to unite the habits already mentioned—the diligent observation of all that is passing around you, and *active, close and useful thinking.* If you have access to Franklin's works, read them carefully, particularly his third volume, and you will know what I mean by *the habits of observing and thinking.* We cannot all be *Franklins*, it is true; but by imitating his mental habits and unwearied industry, we may reach an eminence we should never otherwise attain. Nor would he have been the Franklin he was, if he had permitted himself to be discouraged by the reflection that we cannot all be *Newtons.* It is our business to make the most of our own talents and opportunities, and instead of discouraging ourselves by comparisons and imaginary impossibilities, to believe all things possible, as indeed almost all things are, to a spirit bravely and firmly resolved. Franklin was a fine model of a *practical*

man as contradistinguished from a *visionary theorist*, as men of genius are very apt to be. He was great in that greatest of all good qualities, *sound, strong, common sense*. A mere book-worm is a miserable driveller; and a mere genius, a thing of gossamer, fit only for the winds to sport with. Direct your intellectual efforts principally to the cultivation of the strong masculine qualities of the mind. Learn (I repeat it) *to think—think deeply, comprehensively, powerfully*—and learn the simple nervous language which is appropriate to that kind of thinking. Read the legal and political arguments of Chief Justice Marshall, and those of Alexander Hamilton, which are coming out. Read them, *study them*; and observe with what an omnipotent sweep of thought they range over the whole field of every subject they take in hand—and *that with a scythe so ample, and so keen, that not a straw is left standing behind them*. Brace yourself up to these great efforts. Strike for this giant character of mind, and leave prettiness and frivolity for triflers. There is nothing in your letter that suggests the necessity of this admonition; I make it merely with reference to that tendency to efflorescence which I have occasionally heard charged to southern genius. It is perfectly consistent with these Herculean habits of thinking, to be a laborious student, and to know all that books can teach. This extensive acquisition is necessary, not only to teach you how far science has advanced in every direction, and where the *terra incognita* begins, into which genius is to direct its future discoveries, but to teach you also the strength and the weakness of the human intellect—how far it is permitted us to go, and where the penetration of man is forced, by its own impotence and the nature of the subject, to give up the pursuit; and when you have mastered all the past conquests of science, you will understand what Socrates meant by saying, that he knew only enough to be sure that *he knew nothing—nothing, compared with that illimitable tract that lies beyond the reach of our faculties*. You must never be satisfied with the surface of things: probe them to the bottom, and let nothing go till you understand it as thoroughly as your powers will enable you. Seize the moment of excited curiosity on any subject to solve your doubts; for if you let it pass, the desire may never return, and you may remain in ignorance. The habits which I have been recommending are not merely for college, but for life. Franklin's habits of constant and deep excogitation clung to him to his latest hour. Form these habits now; learn all that may be learned at your university, and bring all your acquisitions and your habits to the study of the law, which you say is to be your profession; and when you come to this study, come resolved to master it—not to play in its shallows, but to sound its depths. There is no knowing what a mind greatly and firmly resolved, may achieve in this department of science, as well as every other. Resolve to be the first lawyer of your age, in the depth, extent, variety, and accuracy of your legal learning. Master the science of pleading—master Coke upon Littleton—and Coke's and Plowden's Reports—master Fearne on Contingent Remainders and Executory Devises, till you can sport and play familiarly with its most subtle distinctions. Lay your foundation deep, and broad, and strong, and you will find the superstructure comparatively light work. It is not by shrinking from the difficult parts of the science, but by courting them, grappling with them, and overcoming them, that a man rises to professional greatness. There is a deal of learning that is dry, dark, cold, revolting—but it is an old feudal castle, in perfect preservation, which the legal architect, who aspires to the first honors of his profession, will delight to explore, and learn all the uses to which its various parts used to be put: and he will the better understand, enjoy and relish the progressive improvements of the science in modern times. You must be a master in every branch of the science that

belongs to your profession; the law of nature and of nations, the civil law, the law-merchant, the maritime law, &c., the chart and outline of all which you will see in Blackstone's Commentaries. Thus covered with the panoply of professional learning, a master of the pleadings, practice and cases, and at the same time a *great constitutional and philosophic lawyer*, you must keep way also with the march of general science. Do you think this requiring too much? Look at Brougham, and see what man can do if well armed and well resolved. With a load of *professional duties* that would of themselves have been appalling to the most of our countrymen, he stood, nevertheless, at the head of his party in the house of commons, and, at the same time, set in motion and superintended various primary schools and various periodical works, the most instructive and useful that ever issued from the British press, to which he furnished, with his own pen, some of the most masterly contributions, and yet found time not only to keep pace with the progress of the arts and sciences, but to keep at the head of those whose peculiar and exclusive occupations these arts and sciences were. There is a model of industry and usefulness worthy of all your emulation. You must, indeed, be a great lawyer! but it will not do to be a mere lawyer—more especially as you are very properly turning your mind, also, to the political service of your country, and to the study and practice of eloquence. You must, therefore, be a political lawyer and historian; thoroughly versed in the constitution and laws of your country, and fully acquainted with *all its statistics*, and the history of all the leading measures which have distinguished the several administrations. You must study the debates in congress, and observe what have been the actual effects upon the country of the various measures that have been the most strenuously contested in their origin. You must be a master of the science of political economy, and especially of *financiering*, of which so few of our young countrymen know any thing. The habit of observing all that is passing, and thinking closely and deeply upon them, demands pre-eminently an attention to the political course of your country. But it is time to close this letter. You ask for instructions adapted to improvement in eloquence. This is a subject for a treatise, not for a letter. Cicero, however, has summed up the whole art in a few words; it is "*apte—distincte—ornate—dicere*"—to speak to the purpose—to speak clearly and distinctly—to speak gracefully: to be able to speak to the purpose, you must understand your subject and all that belongs to it: and then your thoughts and method must be clear in themselves and clearly and distinctly enunciated: and lastly, your voice, style, delivery and gesture, must be graceful and delightfully impressive. In relation to this subject, I would strenuously advise you to two things: *Compose much, and often, and carefully with reference to this same rule of "apte, distincte, ornate,"* and let your conversation have reference to the same objects. I do not mean that you should be elaborate and formal in your ordinary conversation. Let it be perfectly simple and natural, but always in good time, (to speak as the musician,) and well enunciated.

With regard to the style of eloquence that you shall adopt, that must depend very much on your own taste and genius. You are not disposed, I presume, to be an humble imitator of any man? If you are, you may bid farewell to the hope of eminence in this walk. None are mere imitators to whom nature has given original powers. The ape alone is content with mere imitations. If nature has bestowed such a portion of the spirit of oratory as can advance you to a high rank in this walk, your manner will be your own. In what style of eloquence you are best fitted to excel, you, yourself, if destined to excellence, are the best judge. I can only tell you that the florid and Asiatic style is not the taste of the age. The strong, and even the rugged and abrupt, are far more successful. Bold propositions,

boldly and briefly expressed—pithy sentences—nervous common sense—strong phrases—the *feliciter audax* both in language and conception—well compacted periods—sudden and strong masses of light—an apt adage in English or Latin—a keen sarcasm—a merciless personality—a mortal thrust—these are the beauties and deformities that now make a speaker the most interesting. A gentleman and a Christian will conform to the reigning taste so far only as his principles and habits of *decorum* will permit. The florid and Asiatic was never a good style either for an European or an American taste. We require that a man should *speak to the purpose* and *come to the point*—that he should *instruct and convince*. To do this, his mind must move with great strength and power: reason should be manifestly his master faculty—argument should predominate throughout; but these great points secured, wit and fancy may cast their lights around his path, provided the wit be courteous as well as brilliant, and the fancy chaste and modest. But they must be kept well in the back ground, for they are dangerous allies: and a man had better be without them, than to show them in front, or to show them too often.

But I am wearying you, my dear sir, as well as myself. If these few imperfect hints, on subjects so extended and diversified, can be of any service to you, I shall be gratified. They may, at least, convince you that your letter has interested me in your behalf, and that I shall be happy to hear of your future fame and prosperity. I offer you my respects, and tender the compliments of the season.

WM. WIRT.

A CHAPTER ON YOUNG MEN.

Abstracted from the New York Commercial Advertiser.

Alexander, of Macedon, extended his power over Greece, conquered Egypt, rebuilt Alexandria and overrun all Asia, and died at 33 years of age.

Hannibal was but 26, when, after the fall of his father, Hamilcar, in Spain, and Asdrubal, his successor, he was chosen commander-in-chief by the Carthaginian army. At 27, he captured Saguntum from the Romans: before he was 34 he carried his arms from Africa into Italy, conquered Publius Scipio on the banks of the Ticinus; routed Sempronius near the Trebia; defeated Flaminius on his approaches to the Appenines; laid waste the whole country; defeated Fabius Maximus and Varro, marched into Capua, and at the age of 36 was thundering at the gates of Rome.

Scipio Africanus was scarcely 16 when he took an active part in the battle of Cannæ, and saved the life of his father. The wreck of the Roman cavalry chose him then for their leader, and he conducted them back to the capital. Soon after he was 20, he was appointed pro-consul of Spain, where he took New Carthage by storm. He soon after, successfully, defeated Asdrubal, Hannibal's brother, Mago and Hann; crossed into Africa, negotiated with Syphax, the Massasylian king, returned to Spain, quelled insurrections, drove the Carthaginians wholly from the peninsula, returned to Rome, devised the diversion against the Carthaginians by carrying the war into Africa; was appointed pro-consul of Africa, crossed thither, destroyed the army of Syphax, compelled the return of Hannibal and defeated Asdrubal a second time. All this was done before he was 31.

Charlemagne was crowned king of the Franks before he was 26. At 28 he had conquered Aquitania, and at 29 he had made himself master of the whole German and French empires.

Charles XII, of Sweden, was declared of age by the states and succeeded his father at 15. At 18 he headed the expedition against the Danes, whom he checked, and with a fourth of their numbers, he cut the Russian army to pieces commanded by the czar, Peter, at Narva—crossed the Dwina, gained a victory over the Saxons, and carried his arms into Poland. At 21 he had conquered Poland and dictated to her a new sovereign. At 24 he had subdued Saxony; and at 27 he was conducting his victorious troops into the heart of Russia, when a severe wound prevented his taking command in person, and resulted in his overthrow and subsequent treacherous captivity in Turkey.

Lafayette was a major general in the American army at 19; was but 20 when he was wounded at Brandywine; but 22 when he raised supplies for his army, on his own credit at Baltimore; was but 23 when he stormed the redoubt at Yorktown; and was but 32 when the French revolution raised him to the office of commander-in-chief of the national guards.

Napoleon Bonaparte commenced his military career as an officer of artillery at 17. He successfully commanded the artillery at the siege of Toulon at 24. His splendid and victorious campaign in Italy was performed at the age of 27. The following year, when he was but 28, he gained battle after battle over the Austrians in Italy, conquered Mantua, carried the war into Austria, ravaged the Tyrol, concluded an advantageous peace, took possession of Milan and the Venetian republic, revolutionized Genoa, and formed the Cisalpine republic. At 29 he received the command of the army against Egypt; scattered the clouds of Mameluke cavalry; mastered Alexandria, Aboukir and Cairo, and wrested the land of the Pharaohs and Ptolemies from the proud descendants of the prophet. At 30 he fell among the Parisians like a thunderbolt, overthrew the directoral government; dispersed the council of five hundred, and was proclaimed first consul. At 31 he crossed the Alps with an army and destroyed the Austrians by a blow at Marengo. At 32 he established the Code Napoleon; in the same year he was elected consul for life by the people; and at the age of 34 he was crowned emperor of the French nation.

Papinian, who was the greatest lawyer Rome ever produced, was put to death by Carracella at the age of 36. He had even at that early age composed more than fifty books on legal subjects. So profoundly learned were his views considered, that Valentinian III, ordered that whenever the judges were divided in opinion, that Papinian's should be followed. In fact he was the great oracle of the Roman law before he arrived at the age of 34.

William Pitt, the first earl of Chatham, was but 27, when, as a member of parliament, he waged the war of a giant against the corruptions of Sir Robert Walpole.

The younger **Pitt** was scarcely turned of 20 when, with masterly power he grappled with the veterans of parliament, in favor of America. At 22 he was called to the high and responsible trust of chancellor of the exchequer. At 24 he was appointed first lord of the treasury and chancellor of the exchequer. It was at that age when he came forth in his might on the affairs of the East Indies. At the age of 29, during the first insanity of George III, he rallied around the prince of Wales.

Edmund Burke, at the age of 19, planned a refutation of the metaphysical theories of Berkley and Hume. At 20 he was in the temple, the admiration of its inmates, for the brilliancy of his genius and the variety of his acquisitions. At 26 he published his celebrated satire, entitled "A Vindication of Natural Society." The same year he published his essay on the sublime and beautiful—so much admired for its spirit of philosophical investigation, and the elegance of its language. At 25 he was first lord of the treasury.

George Washington was only 27 when he covered the retreat of the British troops at Braddock's defeat; and the same year was appointed commander-in-chief of all the Virginia forces.

General *Joseph Warren* was only 29 when, in defiance of the British soldiery stationed at the door of the church, he pronounced the celebrated oration which aroused the spirit of liberty and patriotism that terminated in the achievement of independence. At 34 he gloriously fell gallantly fighting in the cause of freedom, on Bunker's Hill.

Alexander Hamilton was a lieutenant colonel in the army of the American revolution, and aid-de-camp to Washington at the age of 20. At 25 he was a member of congress from New York; at 30 he was one of the ablest members of the convention that formed the constitution of the United States. At 31 he was a member of the New York convention, and joint author of the great work entitled "The Federalist." At 32 he was secretary of the treasury of the United States, and arranged the financial branch of the government upon so perfect a plan, that no great improvement has ever been made upon it by his successors.

Thomas Heyward, of South Carolina, was but 30 years of age, when he signed the glorious record of the nation's birth—the Declaration of Independence; *Elbridge Gerry*, of Massachusetts, *Benjamin Rush* and *James Wilson*, of Pennsylvania but 31; *Matthew Thornton*, of New Hampshire, 32; *Thomas Jefferson*, of Virginia, *Arthur Middleton*, of North Carolina, and *Thomas Stone*, of Maryland, 33; and *William Hooper*, of North Carolina, but 34.

John Jay, at 29, was a member of the old revolutionary congress, and being associated with *Lee* and *Livingston* on the committee for drafting an address to the people of Great Britain, drew up that paper himself, which was considered one of the most eloquent productions of the time. At 32 he penned the old constitution of New York, and in the same year was appointed chief justice of that state. At 34 he was appointed minister to Spain.

Thomas Jefferson, at 26, was a leading member of the colonial legislature in Virginia. At 30 he was a member of the Virginia convention; at 32 a member of congress; and at 33 years of age he drafted the Declaration of Independence.

Fisher Ames was highly esteemed as a public man in his own state at the age of 30; at which age he was chosen as member of congress from the Suffolk district, Massachusetts; and before he was 34, held the assembled statesmen of the nation breathless by his eloquence.

Milton, at 26, had written his finest miscellaneous poems, including his *L'Allegro*, *Penseroso*, and *Comus*.

Lord *Byron* at the age of 20 published his celebrated satire upon the English bards and Scotch reviewers; at 24 the two first cantos of *Childe Harold's Pilgrimage*. Indeed, all the vast poetic treasures of his genius were poured forth in their richest profusion before he was 34 years old: and he died at 37.

Mozart, the great German musician, completed all his noble compositions before he was 34, and died at 35.

Raphael, the illustrious painter, by his incomparable works, had acquired the appellation of the "divine Raphael" long before he arrived at the age of 30.

Pope wrote many of his published poems by the time he was 16: at 20 his *Essay on Criticism*; at 24 the *Rape of the Lock*, and at 25 his great work, the translation of the *Iliad*.

Sir Isaac Newton had mastered the highest elements of the mathematics, and the analytical method of Descartes before he was 20; had discovered the new method of infinite series of fluxions, and his new theory of light

and colors. At 25 he had discovered the principles of the reflecting telescope, the laws of gravitation, and the planetary system. At 30 he occupied the mathematical chair at Cambridge.

Dr. Dwight's Conquest of Canaan was commenced at 19, and finished at 22. At the latter age he composed his celebrated dissertation on the history, eloquence and poetry of the Bible, which was immediately published and republished in Europe.

Henry Clay was a member of the senate and speaker of the house of representatives before he was 33.

Oliver Hazard Perry was but 27 when he achieved the victory of lake Erie.

Daniel D. Tompkins was appointed a judge of the supreme court at the age of 30, and governor of the state of New York at 33.

De Witt Clinton was a senator of the state of New York at the age of 28, and a senator of the United States at 32.

John C. Calhoun was a distinguished member of congress at the age of 30.

John Randolph made one of his best speeches in congress at a period earlier than his age would have entitled him to a seat, had he not contemptuously replied, when questioned on that point, "ask my constituents."

Levi Woodbury was appointed a judge of the superior court of N. Hampshire at the age of 26, and governor at the age of 33.

Martin Van Buren was elected senator of the senate of the state of New York, and was appointed attorney general at the age of 32.

Dr. William Hunter, the distinguished physician and anatomist, when only 28 presented to the Royal Society his essay on the structure and diseases of articulating cartilages, and acquired his high reputation as a professor before he was 33.

Dr. William Harvey made the great discovery in the circulation of the blood before he was 34.

John M. Clayton, of Delaware, was elected United States senator from that state before he was 34; and made his great speech on Foot's resolution prior to his attaining that age—a speech replete with broad, comprehensive views of constitutional law—and which gave him rank as one of the strongest men in the country.

BANK OF THE UNITED STATES.

Having given in a previous number (November, 1847,) the proceedings in full before the Supreme Court of the United States in reference to the claim of the Bank of the United States for damages on the bill drawn upon the French government, we now add, by way of illustration, the correspondence between Mr. Biddle as president and Mr. Woodbury, secretary of the treasury, upon the subject.

BANK OF THE UNITED STATES, July 8th, 1834.

Sir—I have had the honor of receiving your letter of the 3d inst., requesting that the dividend on the stock of the bank owned by the United States, should be placed to the credit of the treasurer of the United States at the office of this bank in Washington, which was this morning submitted to the board of directors. At the same time was presented a copy of your letter to the cashier of that office, dated the 2d instant, containing the final refusal of the treasury to allow the claim of the bank for damages on the protested bill upon the French government.

After due consideration of the contents of these communications, I am in-

structed by the board of directors to inform you, that from the dividend payable on the 17th of this month there will be deducted the amount due to the bank for damages, costs and interest, upon the bill of exchange drawn by the secretary of the treasury on the French government—and that the remainder shall be placed to the credit of the treasurer in the office at Washington, in conformity to your request.

I am further instructed to say, that this course is adopted by the board of directors, not merely from a conviction of the obvious justice and propriety of it, but because it furnishes the best, if not the only, mode of obtaining a judicial decision of the case by the proper tribunals. To procure that decision, the board will give every facility in their power—and if there is any other mode of submitting the rights of the respective parties to the judicial tribunals, more acceptable to you, any suggestion by you for that purpose will not fail to receive the prompt and respectful consideration of the board of directors. In the meantime, I have the honor to be, very respectfully,
yours,

N. BIDDLE, President.

Hon. LEVI WOODBURY, Secretary of the Treasury, Washington.

BANK OF THE UNITED STATES, July 8, 1834.

Sir—I had this day the honor of informing you that the board of directors would deduct from the dividend payable to the United States, on the 17th of this month, the amount due to the bank on account of damages on the bill of exchange on the French government.

I am instructed to apprise you at the same time that in thus enforcing their right in this particular case, they desire not to be understood as waiving any other claim upon the government, and they more especially wish it understood, that they do not waive their claim for full compensation and indemnity for the violation of the charter of the bank, by the removal from its custody of the public funds, for the use of which the bank had paid a valuable consideration. That claim is reserved in full force, to be asserted at such time and in such manner as may hereafter be deemed expedient. I have the honor to be, very respectfully, yours,

N. BIDDLE, President.

Hon. LEVI WOODBURY, Secretary of the Treasury, Washington.

TREASURY DEPARTMENT, July 14th, 1834.

Sir: Your two communications under date of the 8th inst. have been received. The course pursued by the bank over which you preside, in determining to withhold a portion of the dividends due on the stock of the United States, has excited much surprise in this department, and, at the present time, is more to be regretted, as congress is not in session to provide for the deficiency thus caused in the estimated revenue from the bank stock the present year.

The claim for damages on the bill of exchange drawn upon France, to answer which it is stated that payment of part of the dividends is now refused, was disallowed by this department before the two last dividends were passed to the credit of the treasury, and some months before the recent session of congress commenced. Consequently, it was presumed that the claim, if not abandoned, would be presented and pursued before that body, in the manner usual with claims against the United States, when the latter has not instituted any action at law against the claimant.

Besides these considerations, it could not have been anticipated as probable that all the dividends accruing would not be paid with promptitude and fidelity, when it was known that the case of a failure in a stockholder to discharge his subscription to the capital of the bank, was the only case where

the charter makes an express provision that he "shall lose the benefit of the dividends;" and in this instance, that the United States, though a large stockholder, was not pretended to have been guilty of any breach of this provision. Notwithstanding this, it would seem from your communications that the United States, though intimately connected with the bank, by having conferred the great privileges in its charter, by still using it daily as a fiscal agent for certain purposes, and by being entitled to a supervision of its concerns through congress, has suddenly, without previous notice, and only by an implied or constructive power, not in the opinion of this department warranted or necessary, been deprived of the use of most of its dividends, and for the purpose of satisfying a controverted claim, the law and equity of which were many months since denied by the executive, and have never been sanctioned by either of the other branches of government established by the constitution.

In this condition of the subject, since the bank did not deem it proper to present to congress, the customary tribunal for settling such disputed demands against the United States—or, during its late session, to apprise either that body or this office of the extraordinary course intended to be pursued in thus seizing upon a large portion of the public dividends, while already in possession of more than a million of dollars belonging to the government, but hitherto uncalled for by its creditors or the treasury—this department does not consider that it has yet enjoyed a suitable opportunity in relation to so unexpected a measure, to know the views or procure the desirable action of congress; and, therefore, does not feel justified in making, at this time, any arrangement with the bank, or any "suggestion" in respect to legal prosecutions; nor in recognizing, in any mode, "the justice or propriety" of the proceedings the bank has been pleased to adopt.

But it will endeavor on the whole subject to present an early report to congress at its next session, and to the president of the United States. In the meantime, if the bank desires, before a report is prepared, that the facts and reasons in detail, on which its decisions and especially its claim for damages on the bill of exchange are founded, should be examined by this department, the statement of them, whenever forwarded, will receive respectful consideration. I have the honor to be, yours,

LEVI WOODBURY, Sec'y of the Treasury.

N. BIDDLE, Esq., President U. S. Bank, Philadelphia.

Explanatory Remarks from Niles' Register, 1834.

As explanatory of the preceding letters, it seems a simple act of justice to make the following extracts from the report of the Bank of the United States of the 3d December, 1833.

First. It is not correct to state that the bank was the "fiscal agent" of the government in this matter. *On the contrary, the fiscal agency of the bank was offered without any charge to the government, and declined.* The bank did not wish to purchase this bill at all, but proposed to collect it; paying the money only after it had been received by the agents of the bank in France. Thus when the secretary of the treasury wrote to the bank about this bill, the president of the bank in his answer dated Nov. 5, 1832, said:

"The bank has already in Paris a larger sum than it has any immediate use for, yet it is not indisposed to increase it, because it may hereafter have occasion for the funds, and because it is believed that if the terms can be made acceptable, the purchase of the whole by the bank, *"would be the best operation for the government;"* and again in the same letter,

"In regard to the rate, you are the most competent judge of its fitness,

and I will merely add, that the bank not wanting funds in Paris, and believing that they will be lower hereafter, would not make a similar purchase from any other quarter, and is influenced exclusively by the belief that any other arrangement would be less advantageous to the treasury."

So in his letter of the 11th of February, 1833, "the purchase of the bill is *not in the least desirable to the bank*, nor would the rate now allowed be given to any other drawer than the government, for we shall send by the same conveyance which carries your bill, a large amount of bills purchased at 5.45, being nearly $1\frac{1}{2}$ per cent. less than the price actually given to the treasury."

The bank then did not wish to purchase the bill. But the bank offered its agency to collect it on the following terms, on the 5th of November, 1832.

"Should you prefer not fixing a rate at present, but to take the chances of a higher rate hereafter, the bank on receiving your bill, would place the amount of it to the credit of the government on the 2d of March, at the current rate of exchange of the best bills on that day in Philadelphia."

Here then was a distinct proposal to collect the bill just as the bank collects bills for individuals, so that if the bill had, in November, 1832, been sent to the bank, it would have been forwarded to Europe, and if on the 2d of February, 1833, when it was payable in Paris, it had not been paid, the bank would have been apprised of that fact, and would not have made the payment on the 2d of March, and the whole transaction would have been closed. This course, however, the government did not adopt—but after considering the offers for the bill made from other quarters, decided to sell it to the bank.

Secondly. It is not the fact that this money "was left in the use of the bank, being simply added to the treasury deposits."

Suppose that it had been, it would not in the slightest degree affect the question of damages. When a party sells a bill, and is paid for it, that is, has the funds placed to his credit to be drawn whenever he chooses without further notice, the party is as much paid—the funds belong as little to the bank—as if the party had actually withdrawn the whole sum in specie. But not only was the fund in this case drawn from the general resources of the bank, and placed to the credit of the treasury, but immediately after that was done, congress passed a law to lend the money, and the secretary of the treasury issued a notice, that this money was to be forthwith lent out to capitalists, that is to say, to be immediately withdrawn. * * * * *

The books of the treasury are crowded with cases of damages exacted by the government from American citizens—and one is now selected, merely from its peculiar aptness to the present occasion.

Some years ago, Mr. Stephen Girard sold to the treasury four bills, two of which returned protested, owing to the insolvency of his correspondent in London; when the two others became due, they were paid for the honor of Mr. Girard by the Messrs. Barings, who also agreed to pay the two first in London, as of the day on which they were payable. Mr. Girard applied to congress for exoneration from the claim of 20 per cent. damages, alleging:

"That from the said sum of £22,500 sterling, due on 18th August last, being passed by Sir Francis Baring & Co. to the credit of the secretary of the treasury of the United States, as on the day the same became due, no real loss or damage can accrue to the United States from the said bills being returned under protest."

Congress rejected the claim, and Mr. Girard paid the damages of 20 per cent.

On that occasion, the committee of claims called on the secretary of the treasury, Mr. Gallatin, and in his answer, which makes part of their report,

he says that he had rejected Mr. Girard's claim for four reasons, of which the two most essential are—

"1st. Because, considering the large amount of bills (more than two millions of dollars,) annually purchased on account of government, it appeared absolutely necessary never to give up the damages whenever a legal right to them had accrued, and because that right has in every instance, without regard to persons or circumstances, been enforced.

"2d. Because, if abandoned in this instance and for that reason, every drawer who was solvent, might, by making a remittance to the bankers in Europe, after bills protested for non-payment had been returned to the treasury, induce them to make a similar offer, and evade the payment of damages."

The lapse of years at last reversed the state of the parties. Mr. Girard becomes the largest stockholder in a corporation called the Bank of the United States, and he and his partners, in the course of their business, purchase a bill from this same officer, the secretary of the treasury, which comes back protested after having been twice paid for. Mr. Girard's heirs, and his associates apply to the secretary—not even for the same amount which Mr. Girard formerly paid—not for twenty per cent., the damages in Pennsylvania—but for fifteen per cent., the damages in Washington; and the only answer vouchsafed by the treasury department is, that the claim "has no foundation in law or equity"—to which the president now adds, that it is an attempt to "impair the credit of the government, and tarnish the honor of the country." Such a course tends to an utter confusion of all ideas of justice; nor is it a thing tolerable by the American people, that an individual shall go among the citizens purchasing bills and exacting damages, and when his own bill, sold to these same citizens, returns protested, he shall wrap himself up in his official immunity, and refuse to do to his fellow-citizens what he has compelled them to do to him.

Report by Mr. Clay, of the Committee upon Foreign Relations.

Reprisals do not of themselves produce a state of public war, but they are not unfrequently the immediate precursor of it. When they are accompanied with an authority, from the government which admits them, to employ force, they are believed invariably to have led to war in all cases where the nation against which they are directed is able to make resistance. It is wholly inconceivable that a powerful and chivalrous nation, like France, would submit, without retaliation, to the seizure of the property of her unoffending citizens, pursuing their lawful commerce, to pay a debt which the popular branch of her legislature had refused to acknowledge and provide for. It cannot be supposed that France would tacitly and quietly assent to the payment of a debt to the United States, by a forcible seizure of French property, which, after full deliberation, the chambers had expressly refused its consent to discharge. Retaliation would ensue, and retaliation would inevitably terminate in war. In the instance of reprisals made by France upon Portugal, cited by the president, the weakness of this power, convulsed and desolated by the ravages of civil war, sufficiently accounts for the fact of their being submitted to, and not producing a state of general hostilities between the two nations.

Reprisals so far partake of the character of war, that they are an appeal from reason to force; from negotiation, devising a remedy to be applied by the common consent of both parties, to self redress, carved out and regulated by the will of one of them; and, if resistance be made, they convey an authority to subdue it, by the sacrifice of life, if necessary.

The framers of our constitution have manifested their sense of the nature of this power, by associating it in the same clause with grants to congress of the power to declare war, and to make rules concerning captures on land and water.

Without dwelling further on the nature of this power, and under a full conviction that the practical exercise of it against France would involve the United States in war, the committee are of opinion that two considerations decisively oppose the investment of such a power in the president, to be used in the contingency stated by him.

In the first place, the authority to grant letters of marque and reprisal, being specially delegated to congress, congress ought to retain to itself the right of judging of the expediency of granting them, under all the circumstances existing at the time when they are proposed to be actually issued. The committee are not satisfied that congress can, constitutionally, delegate this right. It is true that the president proposes to limit the exercise of it to one specified contingency. But if the law be passed, as recommended, the president might, and probably would, feel himself bound to execute it, in the event, no matter from what cause, of provision not being made for the fulfilment of the treaty by the French chambers, now understood to be in session. The committee can hardly conceive the possibility of any sufficient excuse for a failure to make such provision. But, if it should unfortunately occur, they think that, without indulging in any feeling of unreasonable distrust towards the executive, congress ought to reserve to itself the constitutional right, which it possesses, of judging of all the circumstances by which such refusal might be attended; of hearing France, and of deciding whether, in the actual posture of things, as they may then exist, and looking to the condition of the United States, of France, and of Europe, the issuing of letters of marque and reprisal ought to be authorised, or any other measure adopted.

In the next place, the president, confiding in the strong assurances of the king's government of its sincere disposition to fulfil, faithfully, the stipulations of the treaty, and of its intention, with that view, of applying again to the new chambers for the requisite appropriation, very properly signified during the last summer, through the appropriate organs at Washington and at Paris, his willingness to await the issue of this experiment. Until it is made, and whilst it is in progress, nothing, it seems to the committee, should be done, on our part, to betray suspicions of the integrity and fidelity of the French government; nothing, the tendency of which might be, to defeat the success of the very measure we desire. This temporary forbearance is the more expedient, since the French government has earnestly requested that we should avoid "all that might become a cause of fresh irritation between the two countries, compromit the treaty, and raise up an obstacle, perhaps insurmountable, to the views of reconciliation and harmony, which animate the king's council."

The president seems to have been aware of the possibility of a misinterpretation of his message, and he has sought to guard, the committee hope with success, against its being viewed in the light of a menace. But if his recommendation be followed up by the passage of a law of reprisals in congress, it is much to be apprehended that our purpose might be supposed to be one of intimidation. France would look at our acts, not our protestations. And, in a reversal of situations, congress would hardly consider it consistent with its dignity, its independence, and the freedom of deliberation, to pass an act of appropriation for a foreign government, with a measure of self-redress, denounced and suspended over its head by that foreign government. If congress shall decline authorising reprisals, France will have no right to

impute to the government of the United States any design to appeal to her fears, and will be deprived of any such pretext for refusing to execute the treaty. In that event, the message of the president will be regarded as the manifestation of a lively sensibility to the honor and interests of his country, but his recommendation, not being adopted by the only department of the government competent to carry it into effect, it could afford no apology to France for disregarding the obligations of national faith and justice.

It may, and probably will be asked, but suppose, contrary to all our just expectations, France should continue to fail to execute the treaty, what is then to be done? The committee will indulge no such supposition. They will not anticipate the possibility of a final breach by France of her solemn engagements. They limit themselves to a consideration of the posture of things as they actually now exist. They will not look beyond the impenetrable veil which covers the future. At the same time, it cannot be doubted that the United States are abundantly able to sustain themselves in any vicissitudes to which they may be exposed. The patriotism of the people has been, hitherto, equal to all emergencies, and if their courage and constancy, when they were young and comparatively weak, bore them safely through all past struggles, the hope may be confidently entertained now, when their numbers, their strength, and their resources, are greatly increased, that they will, whenever the occasion may arise, triumphantly maintain the honor, the rights, and the interests of their country. Without, however, prematurely disclosing the mode of performing any duty which the government of the United States may, in any contingency, hereafter be called upon to fulfil to the people of these states; without expressing any anticipations inconsistent with the honor and good faith, or announcing any purposes, wounding to the pride of France, the committee think it most expedient to leave congress unfettered, and free to deliberate on whatever exigency may henceforward arise.

Entertaining these opinions and views upon the present state of our relations with France, the committee finally conclude by recommending to the senate the adoption of the following resolution:

Resolved, That it is inexpedient, at this time, to pass any law vesting in the president authority for making reprisals upon French property, in the contingency of provision not being made for paying to the United States the indemnity stipulated by the treaty of 1831, during the present session of the French chambers.

*Extract from the Report of the Committee on Finance of the Senate,
January, 1835.*

"The right, therefore, which accrued to the stockholders, appears to the committee to be founded in strict law, and if the directors had waived it, they would have exerted an authority for which they could not have found a suitable apology to the stockholders. What the stockholders might themselves do on the score of liberality to the government is another question, in the decision of which by the stockholders they would undoubtedly have taken into consideration the course of the government to the institution.

"As to the subsequent retention of the dividends by the bank, the doctrine of retainer, well understood by the courts, applies as well to a corporation as to an individual, and when that retainer is avowedly made in order to procure a submission to the courts and juries of the country, and would have been waived, as is plainly intimated in Mr. Biddle's letter to Mr. Woodbury, if the submission could in any other way be secured, your committee are unable to see why there should be either clamor or objection raised to the course pursued by the directors."

LEGAL MISCELLANY.

Decisions of the Supreme Court of the United States, 1844-1847.

BILLS OF EXCHANGE AND PROMISSORY NOTES.

A statute of Mississippi allows suit to be brought against the maker and payee, jointly, of a promissory note by the endorsee. *Dromgoole vs. The Farmers and Merchants' Bank of Mississippi*, 2 Howard, p. 244.

But an action of this kind cannot be maintained in the courts of the United States, although the plaintiff resides in another state, provided the maker and payee of the note both reside in Mississippi. *Ibid.*

Where notes are deposited for collection by way of collateral security for an existing debt, the case does not fall within the strict rules of commercial law applicable to negotiable paper. It falls under the general law of agency; and the agents are only bound to use due diligence to collect the debts. *Lawrence vs. McCalmont*, 2 Howard, p. 427.

Where the drawer of a bill has no right to expect the payment of it by the acceptor; where, for instance, the drawer has withdrawn or intercepted funds which were destined to meet the bill, or its payment was dependent upon conditions which he must have known he had not performed, such drawer cannot be entitled to notice of the non-payment of the bill. *Rhett vs. Poe*, 457. *Ibid.*

It becomes a question of law whether due diligence has or has not been used, whenever the facts are ascertained; and, therefore, there is no error in the direction of a court to the jury that they should infer due diligence from certain facts, where those facts, if found by the jury, amounted in the opinion of the court to due diligence. *Ibid.*

If the drawer and acceptor are either general partners or special partners in the adventure of which the bill constitutes a part, notice of the dishonor of the bill need not be given to the drawer. *Ibid.*

The strictness of the rule requiring notice between parties to a bill is much relaxed in cases of collateral security or guarantee in a separate contract; the omission of such strict notice does not imply injury as a matter of course. The guarantor must prove that he has suffered damage by the neglect to make the demand on the maker, and to give notice, and then he is discharged only to the extent of the damage sustained. *Ibid.*

CHRISTIAN RELIGION.

The exclusion of all ecclesiastics from holding or exercising any station or duty in a college, or the limitation of the instruction to be given to the scholars to pure morality, are not so derogatory to the christian religion as make a devise void for the foundation of the college. *Vidal vs. Girard's executors*, 2 Howard, p. 127.

CONSTITUTIONAL LAW.

A marshal who receives bank notes in satisfaction of an execution must account to the plaintiff in gold or silver; the constitution of the United States recognising only gold and silver as a legal tender. *Ibid.*

A marshal has no right to receive bank notes in discharge of an execution, unless authorised so to do by the plaintiff. *Griffin et al vs. Thompson*, 2 Howard, 244.

A citizen of one state can sue a corporation which has been created by, and transacts its business in another state, (the suit being brought in the latter state,) although some of the members of the corporation are not citizens of the state in which the suit is brought, and although the state itself may be a member of the corporation, *Louisville, Cincinnati and Charleston Railroad Company vs. Letson*, 2 Howard, 497.

A corporation created by, and transacting business in a state, is to be deemed an inhabitant of the state, capable of being treated as a citizen for all purposes of suing and being sued, and an averment of the fact of its creation and the place of transacting business is sufficient to give the circuit courts jurisdiction. *Ibid.*

A law of the state of Illinois, providing that a sale shall not be made of property levied on under an execution, unless it will bring two-thirds of its valuation, according to the opinion of three householders, is unconstitutional and void. *McCracken vs. Hayward*, 2 Howard, p. 608.

PARTNERSHIP.

Although, by the general rule of law, every partnership is dissolved by the death of one of the partners, where the articles of co-partnership do not stipulate otherwise, yet either one may, by his will, provide for the continuance of the partnership after his death; and in making this provision he may bind his whole estate, or only that portion of it already embarked in the partnership. *Burwell vs. Cawood et al*, 2 Howard, p. 560.

But it will require the most clear and unambiguous language, demonstrating in the most positive manner that the testator intended to make his general assets liable for all debts contracted in the continued trade after his death, to justify the court in arriving at such a conclusion. *Ibid.*

A jury cannot, as a matter of direction from the court, presume the existence of a deed from one of the members of a firm to the firm, upon secondary evidence that from the books of the partnership it appeared that various acts of ownership over the property were exercised by the firm. *Hanson et al. vs. Eustace's Lessee*, 2 Howard, p. 563.

COMMERCIAL LAW.

1. By the laws of Louisiana, a notary is required to record in a book kept for that purpose all protests of bills made by him and the notices given to the drawers or endorsers, a certified copy of which record is made evidence. *McAfee vs. Doremus, Suydam & Nixon*, 5 Howard, p. 53.

2. Under these statutes, a deposition of the notary, giving a copy of the original bill, stating a demand of payment, a subsequent protest, and notice to the drawers and endorsers respectively, is good evidence. *Ibid.*

3. The original protest must be recorded in a book. Its absence at the trial is therefore sufficiently accounted for. *Ibid.*

4. Where a joint action against the drawers and endorser was commenced under the statute of Mississippi, (which statute this court has heretofore, 16 Peters, 89, held to be repugnant to an act of congress,) the plaintiffs may discontinue the suit against the drawers and proceed against the endorser only. *Ibid.*

5. When a bill of exchange is made payable at a bank, and the bank itself is the holder of the bill, it is a sufficient demand if the notary presents it at the bank and demands payment. *Hildebrand vs. Turner*, 5 Howard, 69.

6. If, therefore, the protest states this, and, also, that the notary was answered that it could not be paid, it is sufficient. It is not necessary for him

to give the name of the person or officer of the bank to whom it was presented, and by whom he was answered. *Ibid.*

The acts and declarations of an agent of the government should not be given in evidence without first establishing his agency. Secondary proof of the contents of a letter of appointment should not have been received, without first accounting for the non-production of the original. *The United States vs. Boyd*, action upon a receiver's bond, 5 Howard, p. 29.

A party upon the record, although divested of all interest in the event of the suit, is not a competent witness in a cause. *Bridges vs. Armour*, 5 Howard, p. 91.

If a person be declared a bankrupt at a time when a suit is pending to which he is a party, his discharge would not be a bar to his liability for costs upon a judgment obtained subsequently to his discharge. His liability for costs, therefore, excludes him as a witness upon the ground of interest. *Ibid.*

If the event of the suit may increase the effects of the bankrupt in the hands of the assignee, and thus increase the surplus which would belong to him, he is an incompetent witness. *Ibid.*

CONSTITUTIONAL LAW.

The power conferred upon congress by the fifth and sixth clauses of the eighth section of the first article of the constitution of the United States, viz.

"To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures;"

"To provide for the punishment of counterfeiting the securities and current coin of the United States," does not prevent a state from passing a law to punish the offence of circulating counterfeit coin of the United States. *Fox vs. The State of Ohio*, 5 Howard, p. 410.

The two offences of counterfeiting the coin, and passing counterfeit money, are essentially different in their characters. The former is an offence directly against the government, by which individuals may be affected; the latter is a private wrong, by which the government may be remotely, if it will in any degree, be reached. *Ibid.*

The prohibitions contained in the amendments to the constitution were intended to be restrictions upon the federal government, and not upon the authority of the states. *Ibid.*

INSOLVENT LAWS.

A contract, made in New York, is not affected by a discharge of the debtor under the insolvent laws of Maryland, where the debtor resided, although the insolvent law was passed antecedently to the contract. *Wm. G. Cook vs. Moffat*, 5 Howard, p. 295.

This case was brought up, by writ of error, from the circuit court of the United States for the district of Maryland.

Cook was a citizen of Maryland, and Moffat and Curtis were citizens of New York.

It was an action brought, in July, 1835, by Moffat and Curtis against Cook, upon the common money counts. Cook confessed judgment, subject to the opinion of the court upon the following case stated, namely:—

Statement of facts. John L. Moffatt, Joseph Curtis, and Jonathan Wilmarth (the last of whom is now deceased) were citizens of the state of New York, and resident there, and partners trading under the name and firm of Wilmarth, Moffatt & Curtis, and the defendant was a citizen and resident of Maryland, during the times when the contracts and transactions upon

which this suit is founded, or which constitute the causes of this action, were entered into and had and made between the said firm and said Cook.

That the course of dealing was, that Cook, the defendant, used to write to said firm, ordering such articles or goods as he wanted, and they, the said firm, sent them to him, and charged the goods in their books. In order to settle the account current from time to time, Cook sent to the said firm (usually by mail, sometimes, perhaps, otherwise) his note at six months, and these notes averaged \$500 per month, and were punctually paid, for a time in Baltimore.

Cook at length became embarrassed, and wanted extensions, until he stopped payment entirely; being then indebted to said firm, on book account, nine several notes amounting to \$6,321.

The above notes were remitted by Mr. Cook to said firm previously to March, 1832, when he stopped payment. On the 7th June following, his New York creditors generally agreed to give him time to pay, and the said firm of Wilmarth, Moffatt & Curtis, about that time, by agreement made with Mr. Disosway, Cook's attorney in New York, gave time, and took Cook's three notes, drawn payable to the said firm, all dated 12th May, 1832, for the same aggregate, viz. \$6,321.

These notes were drawn and dated at Baltimore, by Cook, and sent by him to his said attorney at New York, and there delivered by said attorney to the said firm; they were given for the amount of Cook's account, and the notes then had and held by said firm against Cook; the old notes being then given up to his attorney.

These three notes and the consideration thereof, namely, the goods sold and delivered as aforesaid, constitute the ground of this action; the amount of the notes being the amount claimed. It is also admitted, that said Cook has applied for and obtained the benefit of the insolvent laws of Maryland since such notes fell due.

Order of the Court :—January term, 1847.

It is now here ordered and adjudged by this court, that the judgment of the circuit court in this cause be and the same is hereby affirmed, with costs and damages, at the rate of six per cent. per annum.

CORPORATION.

Although the charter of a company does not, in terms, give the power to refer, yet a power to sue and be sued includes a power of reference, that being one of the modes of prosecuting a suit to judgment. *Alexandria Canal Company vs. Swann*, 2 Howard's Reports.

So, also, a power to agree with a proprietor for the purchase or use of land includes a power to agree to pay a specified sum, or such sum as arbitrators may fix upon. *Ibid.*

It is immaterial whether the power of reference is lodged in the president and directors, or in the stockholders assembled in general meeting; for the entire corporation is represented in court by its counsel, whose acts, in conducting the suit, are presumed to be authorised by the party. *Ibid.*

JURISDICTION.

To bring a case to this court from the highest court of a state, under the twenty-fifth section of the judiciary act, it must appear on the face of the record,—1st. That some of the questions stated in that section did arise in the state court; and, 2d. That the question was decided in the state court,

as required in the section. *Commercial Bank of Cincinnati vs. Buckingham's executors.* Howard's Reports, vol. 5, p. 317.

It is not enough that the record shows that the plaintiff in error contended and claimed that the judgment of the court impaired the obligation of a contract, and violated the provisions of the constitution of the United States, and that this claim was overruled by the court, but it must appear by clear and necessary intendment that the question must have been raised, and must have been decided, in order to induce the judgment. *Ibid.*

Hence, where the legislature of Ohio, in the year 1824, passed a general law relating to banks, and afterwards, in 1829, chartered another bank; and the question before the state court was, whether or not some of the provisions of the act of 1824 applied to the bank subsequently chartered, the question was one of construction of the state statutes, and not of their validity. *Ibid.*

This case was brought up, by a writ of error, issued under the twenty-fifth section of the judiciary act, from the supreme court of the state of Ohio.

The Reporter finds the following statement of the case prepared by Mr. justice Grier, and prefixed to the opinion of the court, as pronounced by him.

Eunice Buckingham, the plaintiff below, brought an action of assumpsit against the plaintiffs in error in the court of common pleas of Hamilton county, Ohio, and filed her declaration claiming to recover twenty thousand dollars for bills or bank-notes of the Commercial Bank of Cincinnati, of which she was owner, and of which demand had been made of the officers of the bank, and payment refused, and claiming interest thereon at six per cent. from the suspension of specie payments, and also twelve per cent. additional damages from the time of demand and refusal. The cause was afterwards removed to the Supreme Court of Ohio, who gave judgment in her favor; and, thereupon, the defendant removed the case by writ of error to the supreme court in bank, by whom the judgment was affirmed, and the plaintiffs in error afterwards sued out a writ of error to the Supreme Court of the United States.

PENNSYLVANIA DECISIONS.

Before the Supreme Court of Pennsylvania, September 24, 1847.

Present, chief justice Gibson and justices Rogers, Burnside and Coulter. Chief justice Gibson read the opinion of the court in *McGarr vs. Lloyd* and *Lloyd vs. McGarr*. These two cases grew out of one action brought in the District Court, in which Lloyd was plaintiff and McGarr defendant. Both parties were dissatisfied with the decision of the lower court, and hence their two writs of error to the Supreme Court. They were both argued at the same time, by Mr. Wills for Lloyd, and Messrs. McCandless and McClure for McGarr.

In this case the bill of exchange and protest on which suit was brought were destroyed in the great fire of April 10th, 1845. The notary who had made the protest had gone out of office, and by the laws of Missouri could not make a certified copy of the bill and protest. The plaintiff offered in evidence a sworn copy of them, made by the notary, which was objected to by the defendant, but admitted by the court below. This was assigned for error by the defendant. It was also contended that under the act of January

2d, 1815, the protest of a notary was not evidence; but the Supreme Court overruled the objections, and sustained the court below.

On the trial of the cause in the District Court, the plaintiff claimed under the *general* claim for damages, the five per cent. damages given by the act of March 30th, 1821, for the dishonor of foreign bills of exchange, but the court held that they were not recoverable, not being *specially* claimed. This was the ground of the writ of error by the plaintiff. The opinion of the court below on this point was reversed—the Supreme Court holding that the damages given by the act are not a *penalty* but *liquidated damages*, which need not be specially claimed. Judgment was ordered to be rendered for Lloyd, the plaintiff below, for the principal of the bill, the five per cent. damages, which had been separately found, and the writ of protest, with interest on the gross amount, from the time of the dishonor to the rendition of the verdict.—*Pittsburg Chron.*

BILLS OF EXCHANGE.

Rosanna Fraley vs. the Bank of Pennsylvania. This was an action of trover for a note drawn by J. N. Bowles, for \$250 43. It had been deposited with the bank for collection, but was not paid at maturity. Some time afterwards the maker called upon Mrs. Fraley to pay it, and she sent to the bank to obtain it. They replied that it had been returned to her; it was so entered upon the books of the bank. Mrs. Fraley's bank-book, however, had no mark to show that the note had been returned.

It was alleged that it was the usual custom of banking institutions, in such cases, to return notes deposited with them, only upon presentation of the depositor's bank-book, in which case an entry "returned protested" is marked opposite the original entry of the note, made at the time it is deposited. The plaintiff being unable to obtain the note, brought this suit to recover its value. The defence examined a clerk in the bank, who testified that it was the practice of the bank to give protested notes to the runner, who was charged with the duty of delivering them to the respective depositors. The runner being examined, testified that, to the best of his belief, the note had been delivered to Mrs. Fraley. He made no memorandum at the time, and did not take a receipt for it from Mrs. F.

The judge charged the jury in effect that the plaintiff had mistaken her form of action. That if the jury believed that the note had been lost or mislaid, a conversion of it to the use of the bank could not be presumed, and the plaintiff could not recover. The jury must be satisfied that the note was detained by the bank for its own use. If it was not so detained, but lost or mislaid, the proper action would have been upon the case to recover damages for the negligence. Verdict for defendant.

WILLS.

A "Mark" made to a Will not Sufficient.—The Supreme Court of Pennsylvania have decided that a will to which the "mark" of the testator is made, is void and insufficient. The act of assembly of the 8th of April, 1833, requires that "every will shall be in writing, and unless the person making the same shall be prevented by the extremity of his last sickness, shall be signed by him at the end thereof, or by some person in his presence and by his express direction." In the case of *Asay vs. Hoover*, reported in the Pennsylvania Law Journal for November, 1847, the question, whether a will executed by the testator's making a "mark" thereto, was sufficient, came before the court. Judge Bell, in delivering the opinion of the Supreme

Court, says, "the true construction of the 6th section of the act of April 8th, 1833, relating to last wills and testaments, is, that the testator must sign the testamentary instrument by his own proper signature, if he be able to do so, but if prevented from doing this by sickness, infirmity, or other incapacity, resource is to be had to the alternative mode of authentication pointed out by the statute, to wit: signing the testator's name to the instrument at the end thereof, by some person in his presence, and by his express direction, and both the incompetency and signature by express request must be proved by two witnesses. A *mark* made by the party proposing a testamentary disposition is *insufficient in any case*, and so is the name of such party written by another person, unless so written in accordance with the directions of the statute." This decision is highly important, and unless the mischief is regulated by legislative enactment as to wills made since 1833, will produce great confusion. Persons who are unable to write cannot make a "mark," they must expressly desire some one to sign for them. There are no doubt many papers intended as wills so executed, the makers of which are yet living—they will see the immediate necessity of having their wills executed according to law.

STOLEN NOTES.

Before the United States Circuit Court for the district of Maryland, Chief Justice Taney presiding, November, 1847.

City Bank of Columbus, Ohio vs. Farmers & Planters' Bank of Baltimore.

In this case it is proved by the plaintiff, that in June of 1845 the City Bank of Columbus, Ohio, received in the form of a remittance, for which they gave a valuable consideration, a \$1,000 note of the Farmers and Planters' Bank of Baltimore. This note was sent by the City Bank of Columbus to a monied institution in New York, through which it was presented to the Farmers and Planters' Bank, which bank acknowledged it as genuine, but refused payment on the ground that the note had been lost or stolen from Messrs. Garrett & Sons, of Baltimore, in the year 1845, by whom it was advertised as lost or stolen, and payment at the bank stopped. The note was then sent back to the City Bank of Columbus, by which institution it was remitted to the Bank of Baltimore; again presented to the Farmers and Planters' Bank, and payment again refused; and this suit was then instituted to enforce payment.

On the part of the defence it was shown that Messrs. Robert Garrett & Sons were the true defendants in the case, and that the bank refused payment of the note only until it should be decided by competent authority who was the true owner of the note. The note, together with other bank notes and paper securities, was lost or was stolen from a bank-book in the hands of one of the firm of Messrs. Garrett & Sons, as he was passing along the streets of Baltimore, on the 13th of February, 1845, and in order to prove that the losers had used all due diligence in apprising the public of the nature of their loss, and of the fact of payment of the note having been stopped, it was shown, from the files of the American, Sun, and Patriot newspapers for the year 1845, that on Friday, the 14th of February, 1845, the day succeeding the loss, advertisements describing the note, and stating the fact of payment having been stopped, were inserted, with editorial notices calling attention to the same. Under this state of facts it was contended by the de-

fendant, that the Messrs. Garrett & Sons were entitled to payment on the note.

The evidence offered by the plaintiffs only went to show the manner in which the bank at Columbus had become possessed of the note; the valuable consideration given for it; and the want of knowledge on the part of the bank, when receiving the note, of its having been lost by or stolen from Messrs. Garrett & Sons. Meredith for plaintiff; Campbell for defendant.

Judge Taney delivered the opinion of the court at considerable length, reviewing the authorities which had been cited by the counsel in the case, remarking on the nature of negotiable instruments, and concurring with later decisions in the English courts, as given by lord Denham and justice Baylie in the case of Gill and Cubit. The instructions of the court to the jury, which we subjoin, show the principles which the court think applicable to the case:

The City Bank of Columbus is entitled to recover in this action, if the bank note in question was taken for a valuable consideration in the usual course of its business as a bank, *bona fide* and under circumstances which would not have excited the suspicions of a person of ordinary prudence and care in business, that the note had been lost by or stolen from the rightful owner, and was not the property of the person who then held it.

But if it was taken under circumstances which ought to have excited the suspicion of a person of ordinary prudence and caution, and led him to make further inquiry before the note was taken, then the bank took it at its peril and is not entitled to recover.

The case was then argued before the jury under the instructions of the court, and at the hour of adjournment was given to them with leave to seal their verdict. *Verdict for plaintiff, November 13, 1847.*

NOTE.—The case of the *City Bank of Columbus vs. Farmers and Planters' Bank* above recited, is an important one both to banks and to the community at large. It seems to us that due diligence was not used by the losers in giving publicity to the loss. A more effectual means of stopping such a note would be to send a circular to every bank in the Union, describing the note minutely, and thus placing those upon their guard, who, in the regular course of business, are the receivers of such paper. A circular of this kind could be printed in four hours and forwarded by mail of the same day to every banking institution in the country, as well as to prominent brokers in the large cities: while the whole expense attending such a circular would not be over five dollars.

[*Editor Bankers' Magazine.*]

A case somewhat similar to the above took place with the Bank of England.

In February, 1826, a stock broker was robbed of two notes, one of £500 and another of £50. The necessary information was given at the police office, and the notes stopped at the bank. In May one of these was presented for payment through Messrs. Jones, Loyd & Co., and the directors refused to give credit for it on the ground that it was stolen, and that they had been directed to retain it until the right owner could be discovered. Messrs. Jones, Loyd & Co. next requested that it might be returned, but this was also declined. A question then arose whether it had been received in the regular transactions of business. The character of the gentleman who had sent it, a M. de la Chaumette, was indisputable, but beyond this the question seemed doubtful. The law had long since decided that if a proper consideration were given for a note, the holder was entitled to recover its value, although it might have been stolen before it came into his possession. But if it should have been lost by felony, fraud, or accident, no property in it passed to the

thief, or finder, or to any other person having a knowledge of the circumstances, or who did not receive it in the customary way of business. In summing up the evidence, Lord Tenterden said, the only question to decide was whether the note had been obtained according to the usual mode of dealing, in the place where it had been purchased. The jury immediately decided against the bank, and from this period they have ceased to detain stopped notes.

Another transaction in stolen notes, occurred at another period.

The principal clerk of one of the bankers having robbed his employer of Bank of England notes to the amount of twenty thousand pounds, made his escape to Holland. Unable to present them himself, he sold them to a Jew. The price which he received does not appear; but there is no doubt that, under the circumstances, a good bargain was made by the purchaser. In the mean time every plan was exhausted to give publicity to the loss. The numbers of the notes were advertised in the papers, with a request that they might be refused; and for about six months no information was received of the lost property. At the end of that period, the Jew appeared with the whole of his spoil, and demanded payment, which was at once refused, on the plea that the bills had been stolen, and that payment had been stopped.

Information reached the directors, who grew anxious, and a messenger was sent to inform the holder that he might receive cash in exchange for the notes.

GAMBLING LOSSES.

Court of Common Pleas of Massachusetts, October, 1847. *W. F. White vs. Asaph E. Buss.*

This was an action to recover the sum of \$240, for money alleged to be loaned to the defendant. The defence set up was, that the loan was for an illegal consideration, being made at a gaming table, where both parties were playing, and for gambling purposes; and that it was loaned in counters, which were won back by the plaintiff as soon as loaned. The evidence was, that at a public house in this city, the parties were playing a "round game" of "brag," so called, and that the defendant, in reply to a statement of the plaintiff, at the close of the session, admitted that he had borrowed the sum claimed, of the plaintiff, and that he would pay him the amount on the next day. It also appeared that the defendant did actually borrow at the board, some amount, consisting of money and counters, and was, at the termination of the game, a loser.

Merrick J., instructed the jury, that if they were satisfied that the money was actually loaned to the defendant, for a lawful purpose, though at a gaming table, the plaintiff was entitled to recover; that if they were satisfied that it was money loaned to be used in gambling at a public house, they were to find for the defendant; that it was immaterial, if they found the house to be a public house, whether it was licensed or not; that the loan was not recoverable, if it were made at a gaming table, in a licensed house; for the statute imposed a penalty on all persons gaming in such houses, and the plaintiff could not invoke the aid of the law, which he had, at the outset, broken; and that, if they should find that the loan was made at a gaming table, in an unlicensed house, and for the purpose of aiding the game, the plaintiff would still have no right to recover, upon the ground of playing, or aiding, by loan or otherwise, the game carried on in a house which violated the law by being kept without a license.

Marshall S. Chase for the plaintiff. John C. Park for the defendant.

THE BANK OF ENGLAND.

History of the Bank of England, its Times and Traditions. By John Francis, 2 vols. Svo., London, 1847.

The appearance of this volume is opportune: furnishing correct and copious details relating to the early and progressive history of an institution which has, for a century and a half, occupied a prominent position in the public records of England: an institution which has exercised an important influence upon the political, financial and commercial affairs of Great Britain.

The author dedicates his work, by permission, to Sir Robert Peel, and we infer from the numerous facts and documents furnished, that he has had access to the bank itself for a large portion of the information given.

We proceed to make such extracts as will give our readers a general view of several interesting periods in the history of the bank.

ITS EARLY HISTORY.

"The scheme of a national bank," says Smollett, "had been recommended to the ministry for the credit and security of the government, and the increase of trade and circulation. William Paterson was the author of that which was carried into execution. When it was properly digested in the cabinet, and a majority in parliament secured, it was introduced into the house of commons. The supporters said it would rescue the nation out of the hands of extortioners; lower interest; raise the value of land; revive public credit; extend circulation; improve commerce; facilitate the annual supplies; and connect the people more closely with government. The project was violently opposed by a strong party, who affirmed that it would become a monopoly, and engross the whole money of the kingdom; that it might be employed to the worst purposes of arbitrary power; that it would weaken commerce by tempting people to withdraw their money from trade; that brokers and jobbers would prey on their fellow creatures; encourage fraud and gaming; and corrupt the morals of the nation."

The scheme proposed by William Paterson was too important not to meet with many enemies, and it appears from a pamphlet by Mr. Godfrey, the first deputy governor, that "some pretended to dislike the bank only for fear it should disappoint their majesties of the supplies proposed to be raised." That "all the several companies of oppressors are strangely alarmed, and exclaim at the bank, and seemed to have joined in a confederacy against it." That "extortion, usury and oppression, were never so attacked as they are likely to be by the bank." That "others pretend the bank will join with the prince to make him absolute. That the concern have too good a bargain and that it would be prejudicial to trade." In Bishop Burnet's "History of his own Times," we read an evidence of Mr. Godfrey's truth. "It was visible that all the enemies of government set themselves against it with such a vehemence of zeal, that this alone convinced all people that they saw the strength that our affairs would receive from it. I had heard the Dutch often reckon the great advantage they had had from their banks, and they concluded that as long as England remained jealous of her government, a bank could never be settled among us, nor gain credit among us to support itself, and upon that they judged that the superiority in trade must still be on their side."

The act of parliament by which the bank was established, is entitled "an

BANK OF ENGLAND.



Engraved for the Bankers' Magazine.

Page 206.

act for granting to their majesties, several duties upon tonnage of ships and vessels, and upon beer, ale and other liquors, for securing certain recompences and advantages in the said act mentioned, to such persons as shall voluntarily advance the sum of fifteen hundred thousand pounds, towards carrying on the war with France." After a variety of enactments relative to the duties upon tonnage of ships and vessels, and upon beer, ale and other liquors, the act authorizes the raising of £1,200,000 by voluntary subscription, the subscribers to be formed into a corporation and be styled "The Governor and Company of the Bank of England." The sum of £300,000 was also to be raised by subscription, and the contributors to receive instead annuities for one, two, or three lives. Towards the £1,200,000 no one person was to subscribe more than £10,000 before the first day of July next ensuing, nor at any time more than £20,000. The corporation were to lend their whole capital to government, for which they were to receive interest at the rate of eight per cent. per annum, and £4,000 per annum for management; being £100,000 per annum on the whole. The corporation were not allowed to borrow or owe more than the amount of their capital, and if they did so the individual members became liable to the creditors in proportion to the amount of their stock. The corporation were not to trade in any "goods, wares, or merchandise whatever, but they were allowed to deal in bills of exchange, gold or silver bullion, and to sell any goods, wares, or merchandise upon which they had advanced money, and which had not been redeemed within three months after the time agreed upon." The whole of the subscription was filled in a few days; twenty-five per cent. paid down; and as we have seen, a charter was issued on the 27th of July, 1694, of which the following are the most important points.

"That the management and government of the corporation be committed to the governor, deputy governor, and twenty-four directors, who shall be elected between the 25th day of March and the 25th day of April each year, from among the members of the company, duly qualified.

"That no dividend shall at any time be made by the said governor and company save only out of the interest, profit, or produce arising out of the said capital stock or fund, or by such dealing as is allowed by act of parliament.

"They must be natural born subjects of England, or naturalized subjects; they shall have in their own name and for their own use, severally, viz., the governor at least £4,000, the deputy governor £3,000, and each director £2,000, of the capital stock of the said corporation.

"That thirteen or more of the said governors or directors (of which the governor or deputy governor shall be always one,) shall constitute a court of directors for the management of the affairs of the company, and for the appointment of all agents and servants which may be necessary, paying them such salaries as they may consider reasonable.

"Every elector must have, in his own name and for his own use, £500, or more, capital stock, and can only give one vote; he must if required by any member present, take the oath of stock, or the declaration of stock if it be one of those people called Quakers.

"Four general courts to be held in every year in the months of September, December, April, and July. A general court may be summoned at any time, upon the requisition of nine proprietors duly qualified as electors.

"The majority of electors in general courts have the power to make and constitute by-laws and ordinances for the government of the corporation, provided that such by-laws and ordinances be not repugnant to the laws of the kingdom, and be confirmed and approved according to the statutes in such case made and provided."

When the payment was completed, it was handed into the exchequer, and the bank procured from other quarters the funds which it required. It employed the same means which the bankers had done at the exchange, with this difference, that the latter traded with personal property, while the bank traded with the deposits of their customers. It was from the circulation of a capital so formed that the bank derived their profit. It is evident, however, from the pamphlet of the first deputy governor, that at this period they allowed interest to their depositors; and another writer, D'Avenant, makes it a subject of complaint. "It would be for the general good of trade if the bank were restrained from allowing interest for running cash; for the ease of having three and four per cent. without trouble, must be a continual bar to industry."

In Grocers' Hall, since razed for the erection of a more stately structure, the Bank of England commenced operations. Here, in one room, with almost primitive simplicity, were gathered all who performed the duties of the establishment. "I looked into the great hall where the bank is kept," says the graceful essayist of the day, "and was not a little pleased to see the directors, secretaries, and clerks, with all the other members of that wealthy corporation, ranged in their several stations according to the parts they hold in that just and regular economy." The secretaries and clerks altogether numbered but fifty-four, while their united salaries did not exceed £4,350. But the picture is a pleasant one, and though so much unlike present usages, it is a doubtful question whether our forefathers did not derive more benefit from intimate association with and kindly feeling towards their inferiors, than their descendants receive from the broad line of demarcation adopted at the present day.

The name of William Paterson was not long upon the list of directors. The bank was established in 1694, and for that year only was its founder among those who managed its proceedings. A century and a half has passed; the facts which led to his departure from the honorable post of director are difficult to collect; but it is not at all improbable that the character of Paterson was too speculative for those with whom he was joined in companionship.

The small extent of the affairs of the company at the commencement of its existence, compared with their present magnitude, appears from an account delivered to the house of commons on 4th December, 1696, by which the balance in favor of the bank amounted to £125,315 2s. By an act to regulate their proceedings, the bank were authorised from 25th March, 1698, to pay their dividends half yearly, instead of quarterly, as they had been accustomed to do up to that period.

On the 6th May, 1695, an advertisement appeared in the "London Gazette," that "the court of directors of the Bank of England give notice they will lend money on plate, lead, tin, copper, steel, and iron, at four per cent. per annum." The coins had been diminished by clipping and filing; many of the shillings contained only three pence in silver—an enormity attributed to the goldsmiths, who appear to have been rather sharp traders: counterfeit coins had also been clipped and filed, that they might pass the more readily.

The government empowered the corporation to add £1,001,171 10s. to their original stock, and public faith was restored by four-fifths of the subscriptions being received in tallies and orders, and one-fifth in bank notes at their full value, although both were at a heavy discount in the market.

With these arrangements the charter was extended until 1710, nor could it then be taken away until government paid the debt owing by them to the bank. By this act the forgery of the company's seal, notes, or bills, was

made felony without benefit of clergy. Great gains were made; great fortunes even were won by the capitalists of the day. Sir Gilbert Heathcote, one of the bank directors, gained £60,000 by the liberal scheme; and numerous estates were raised in a shorter time than was ever known.

Prior to 1708, the government had paid off the principal and interest of the additional debt incurred in 1697; by this the capital of the bank was reduced to its original amount, and in the first named year the extension of the charter was again proposed till 1732.

The eminent services of the Bank of England to the political and commercial community, the integrity with which it had ever been conducted, and the aid rendered to government, the importance of which it had assisted to maintain, were now to be acknowledged and rewarded. Its "important banking privileges," as Mr. Fenn in his "English and foreign Funds" truly terms them, were conveyed in return for these. By the act of 1708 their charter was extended until 1732, and it was therein provided "That, during the continuance of the said corporation of the governor and company of the Bank of England, it shall not be lawful for any body politic or corporate whatsoever, created or to be created, other than the said governor and company, or for any other persons whatever, united or to be united in covenant or partnership exceeding the number of six persons in England, to borrow, owe, or take up any sum or sums of money on their bills or notes payable on demand, or at a less time than six months from the borrowing thereof."

Much inconvenience having been experienced from directors of the East India Company being also in the direction of the bank, it was decreed by a clause in the 9th act of queen Anne, that no person should be governor, deputy governor, or director of the Bank of England and the East India Company at the same time.

The same year (1713,) was marked by a renewal of the charter until 1742, an extension of the privileges of the bank for ten years. Of course the proprietors had to pay for the extension. The reign of queen Anne had been gilded by the splendid victories of Marlborough, and the chivalrous achievements of Peterborough; but victories and achievements must be paid for. An act was therefore passed to raise £1,200,000 for public uses, by circulating a further sum in exchequer bills, which the managers of the great corporation,—for the establishment already deserved the title—undertook at three per cent. in consideration of their renewed privileges. They were also to receive £8000 yearly until all the exchequer bills in existence should be paid off. To enable the directors of the bank to effect this, they were allowed to call in money from the proprietors to form additional stock; and the corporation was to continue until the government debt was paid off; twelve months' notice being given from the 1st of August, 1742.

In 1722, the South Sea Company were allowed to sell £200,000 government annuities; and the Bank of England took the whole at twenty years' purchase, at a price equal to par. To meet the payment, amounting to four millions, their corporate capital was increased £3,400,000, by £3,389,830 10s. being subscribed for at 118 per cent. By this transaction the bank made a profit of £610,169 10s., and the capital amounted to £8,959,995 14s. 8d. This year may be regarded as somewhat memorable. In all commercial bodies a reserve fund, in proportion to the importance of the partnership, is desirable. Unexpected liabilities and losses must frequently take place, and periods of difficulty, demanding extensive capital, must occasionally arise. The dividends of the corporation had hitherto varied considerably, as extra losses could only be met by decreasing the interest. If such claims occurred in the earlier part of the half-year, it is probable that they were only to be met by disposing of valuable securities at a serious

sacrifice. That some such cause was in operation is evident, from the bank, for the first time in its history, maintaining a reserve fund, which, under the name of *RESERVE*, has increased with the business of the house, and has frequently proved of invaluable service. In the earlier history of the bank a want of money must have been sometimes experienced, as the subscribed capital was lent to government in payment of the charter. The importance given by the latter, the growing requirements of trade, the interest allowed on deposits, together with private influence, produced clients to the young establishment. In exchange for deposits, notes were issued to the public, which readily circulated. The deposits, cash, and credit, together with the notes, formed indeed the chief fund upon which the corporation traded; but as the profits made in the first few years were nearly, if not altogether, consumed by the expenses, the dividends continued until 1698, at the rate paid by government of eight per cent.

Prior to the year 1732, the court of directors had carried on their business within the hall of the Grocers' Company. They had commenced their career unostentatiously, and they had met with their reward. With fifty-four assistants, whose names and salaries are recorded in the appendix, they had gone on prospering, until the business demanded a building exclusively devoted to its interests. The time had now arrived when an enlarged edifice was not only advisable but necessary; and on 20th January, 1732, it was unanimously resolved to erect a hall and office in Threadneedle street; and the site chosen for the new edifice was that of the house and garden of Sir John Houblon, first governor of the bank. The structure was contracted for by Dunn and Townshend, eminent builders of the day, after designs by Mr. George Sampson,

On Thursday, the 3d of August, at one o'clock in the afternoon, the new building was commenced; a stone, on which the names of the directors were placed, being made the foundation for one of the pillars. Twenty guineas were presented to the workmen for distribution; and on the 5th of June, 1734, business was commenced in that edifice, the present importance of which is unparalleled in the history of monetary establishments.

THIRD RECHARTER.

In 1742, the period for the reconstruction of the bank charter had arrived. The renewal of the privileges of the company created the usual consideration of what amount might be gained by the state in payment, and of how hard a bargain might be made with the corporation when compelled to sue for a favor. The latter were obliged to buy, and the government determined to sell, at as high a price as practicable. The loan of one million six hundred thousand pounds, without interest, was required by the state, too frequently a hard task-master in its transactions with the corporation.

It was effected by blending this sum with the previous loan of £1,600,000, at six per cent., and the united sum of £3,200,000 bore the diminished interest of three per cent. In compensation, the exclusive banking privileges were renewed, till August, 1764. By this act "persons, forging, counterfeiting, or altering any bank note, bill of exchange, dividend warrant, or any bond or obligation under the bank seal, shall suffer death:" and also, "the company's servants, breaking their trust to the company, shall suffer death."

In 1746, the capital, on which the bank stock proprietors divided, amounted to £10,780,000. In a little more than half a century, it had been more than octupled, so great had been the prosperity of the corpora-

tion. The dividends had varied with the success; and though at one period ten and a half per cent. for the half-year was paid, the average amount was greatly below this; and in 1746, the half yearly dividend had fallen to two and three quarters. The value of money, also, which had been so enormous, previous to the new establishment, had been reduced considerably. At first, the rate of discount was from four and a half to six per cent.; and a less amount was charged to those who kept accounts with the bank; inland bills being discounted for them at four and a half, and foreign bills at three per cent., while six per cent. was charged for bills of all kinds to other persons. The rates of discount were afterwards equalized, and varied from four to five per cent., till 1775, when the latter sum was fixed upon, at which it remained till 1822. This reduced value of money was advantageously experienced by government, receiving the same benefit in 1745, for three per cent., for which, before 1690, they had paid twenty-five to thirty per cent. It has not been considered necessary to detail on each occasion the rise or fall of the dividends, given to the proprietary, as a clearer and more comprehensive view may be obtained in the appendix.

A correspondent of the "Gentleman's Magazine" gives the following particulars of the external appearance of the bank in 1757. "When I came to London, and lived near it, it was comparatively a small structure, almost invisible to passers by, being surrounded by many others, viz., a church called St. Christopher le Stocks, since pulled down; three taverns, two on the south side, one (the Fountain) in Bartholomew lane, facing the church there, just where the great door of entrance is now placed, and about fifteen or twenty private dwelling-houses. Visitors are sometimes shown in the bullion office the identical old chest, somewhat larger than a common seaman's; also, the original shelves or cases, where the cash, notes, papers and books of business were kept: and well are they preserved, as pregnant vouchers no less of the bank's pristine simplicity and confined exertions, than of the amazing rapidity of its modern extension, and almost boundless accommodation of the monied interest and commercial world."

THE FIRST FORGERY.

The day on which a forged note was first presented at the Bank of England forms a memorable era in its history. For sixty-four years the establishment had circulated its paper with freedom; and during this period no attempt had been made to imitate it. He who takes the initiative in a new line of wrong doing, has more than the simple act to answer for; and to Richard William Vaughan, a Stafford linen-draper, belongs the melancholy celebrity of having led the van in this new phase of crime, in the year 1758. The records of his life do not show want, beggary, or starvation urging him, but a simple desire to seem greater than he was. By one of the artists employed, and there were several engaged on different parts of the notes, the discovery was made. The criminal had filled up to the number of twenty; and deposited them in the hands of a young lady to whom he was attached, as a proof of his wealth. There is no calculating how much longer bank notes might have been free from imitation, had this man not shewn with what ease they might be counterfeited. From this period forged notes became common. The faculty of imitation is so great, that when the expectation of profit is added, there is little hope of restraining the destitute or the bad man from a career which adds the charm of novelty to the chance of gain. The publicity given to the fraud, the notoriety of the proceedings, and the execution of the forger, tended to excite that morbid

sympathy, which, up to the present day, is evinced for any extraordinary criminal. It is, therefore, possible, that if Vaughan had not been induced by circumstances to startle London with his novel crime, the idea of forging bank notes might have been long delayed, and that some of the strange facts to be related would never have occurred.

In 1759, bank notes, to a smaller amount than £20, were first circulated; and the directors commenced issues of £15 and £10, to meet the necessity experienced by the community.

In January, 1764, the charter, granted to the bank in 1745, had nearly expired, and the question of its renewal was again agitated. The customary process of extension, that process which has procured a good price from the corporation for all the favors granted, was once more under consideration. The terms on which government consented to place the exclusive power of the bank again in its possession, were sufficiently onerous. By this agreement, the directors were to advance cash for exchequer bills to the amount of one million, at three per cent. interest, till the year 1766, when the bills were to be discharged. They were also to pay £110,000; and for this they were to receive neither interest nor repayment. In consideration of these sums, they were to continue a body corporate, with all their advantages, till the redemption of the debt, due to them by government; and one year's notice, from the first of August, 1786. By the same act, it was made felony, without benefit of clergy, to forge powers of attorney, or other authorities, for receiving dividends, transferring or selling stock, or for personating the proprietors of any stock, for such purpose.

A new crime was discovered in 1767. The notice of the clerks at the bank had been attracted by the habit of William Guest, a teller, picking new from old guineas, without assigning any reason. An indefinite suspicion—increased by the knowledge that an ingot of gold had been seen in Guest's possession—was attracted; and although he asserted that it came from Holland, it was remarked to be very unlike the regular bars of gold, and that it had a considerable quantity of copper on the back. Attention being thus drawn to the behavior of Guest, he was observed to hand one Richard Still some guineas, which he took from a private drawer, and placed with the others on the table. Still was instantly followed; and on the examination of his money, three of the guineas in his possession were found deficient in weight. An inquiry was immediately instituted; and forty of the guineas in the charge of Guest looked fresher than the others upon the edges, and weighed much less than the legitimate amount. On searching his home, four pounds eleven ounces of gold filings were found, with some instruments calculated to produce artificial edges. Proofs soon multiplied; and the prisoner was found guilty. The instrument with which he had effected his fraud, of which one of the witnesses asserted it was the greatest improvement he had ever seen, is said to be yet in the mint, a memento of the prisoner's capacity and crime.

In 1773, an act was passed making it death to copy the water mark of the bank note paper; and, in order to prevent imitation, it was enacted that no person should prepare any engraved bill or promissory note containing the words "Bank of England," or "Bank post bill," or expressing any sum in white letters on black ground in resemblance of "Bank paper," under the penalty of imprisonment for six months. By an act, passed in 1775, notes of a less amount than twenty shillings were prohibited; and two years afterwards, by the 17th George III., the amount was limited to £5.

About the year 1780, a note was brought to the bank for payment. So complete were all its parts; so masterly the engraving; so correct the signatures; so skilful the watermark, that it was promptly paid; and only dis-

covered to be a forgery when it reached a particular department. From that period forged paper continued to be presented, especially at the time of lottery drawing. Consultations were held with the police. Plans were laid to insure detection. Every effort was made to trace the forger. Clarke, the Forrester of his day, went, like a sluth-hound, on the track; for in those days the expressive word "blood-money" was known. Up to a certain point there was little difficulty; but beyond this the most consummate art defied the ingenuity of the officer. In whatever way the notes came, the train of discovery always paused at the lottery offices. Advertisements offering large rewards were circulated; but the unknown forger baffled detection, at the expense of the corporation,

FURTHER RENEWAL OF CHARTER.

The charter of the company, being within five years of its expiration, was discussed in 1781. The experience of years had proved that the renewal of the privileges was only to be obtained by payment. The ministry of 1781 were not likely to be less urgent than their predecessors. The position of Great Britain, also, was somewhat precarious. Mr. Alison says of the period: "French diplomacy acquired the lead in Europe: the dreams of the philosopher were exchanged for the skilful combinations of experienced statesmen: Russia, Sweden, Denmark, were united in a hostile league; America, Spain and France, in an armed confederacy against Great Britain: the combined fleets rode triumphant in the British channel; and, however strange it may sound to modern ears, it is historically true, that England was more nearly subdued by the wisdom of Louis XVI, and the talent of Vergennes, than by the genius of Napoleon and the address of Talleyrand." To maintain such a war, money was absolutely necessary; and once more the authorities were called on to bargain with a necessitous state.

On the 15th December, 1790, Mr. Pitt made his first attempt upon the dividends of those fundholders who had allowed them to remain unclaimed. In 1727, the balance of this fund was £43,000; in 1752, £60,000; in 1774, £222,000; in 1776, £314,000; and in 1789, £547,000. In consequence of these accumulations Mr. Pitt proposed to take all, excepting a floating balance of £50,000, to be left in the hands of the bank. It caused indignation not usual in collective bodies to spread through the bank stock proprietary; courts were held at which the proposition was denounced, counsels, opinions stated, speeches uttered which blended national insecurity with the seizure of the unclaimed dividends, and the destruction of public faith with the invasion of the corporation coffers; and all with that earnest eloquence which is born of invaded rights, or diminished purses. But the measure was introduced into parliament, and the opposition became more energetic. The fine mind of Burke was employed in ridiculing the proposal, and the great whig leader argued strenuously against its injustice. Meetings of the proprietors were again held, and the conduct of Mr. Pitt reprobated in no measured terms. It was called "so miserable a financial operation that the world would think we were at the end of our resources." A proposal was made by the governor to lend £500,000, without interest, until the unclaimed dividends should be less than £600,000, on condition of an abandonment of the claim. The prescient mind of Mr. Pitt, which saw the improbability of their decrease, induced him to accept the proposal, and thus ended the first attempt upon the unclaimed dividends.

COMMERCIAL CRISIS OF 1793.

During the year 1793, one of those seasons of distress, which occur from

time to time, shed a gloom throughout England. A period of peace had produced great apparent prosperity. From the American war to the French revolution, England had enjoyed a state of profound repose. The eminently commercial minds of the people had employed this period in extending the trade, and in seeking fresh employment for the accumulating capital. Building, machinery, and inland navigation, employed part of it; and the augmented business of the country demanded new banks; which, by the additional facilities they gave to commerce, tended greatly to improve it. For eight or nine years it had progressively increased; but at the end of 1792, wide commercial misery spread throughout England. "On Tuesday evening, the 19th February, 1793," says Chalmers, "the Bank of England threw out the paper of Lane, Son & Fraser; and next morning they stopped payment, to the amount of almost a million of money. This great failure involved the fate of several very substantial traders."

Merchants with ample but unavailable funds were compelled to bend before the storm. Bankers of unquestioned solidity ceased payment under the influence of the panic. Every man was suspicious of his neighbor. The value of property seemed annihilated in the doubt and dread of the people. Gloomy apprehensions seized on all; and those who had money preferred rather to hoard than to risk it. The country banks were the greatest sufferers; and the ruin they experienced spread like a plague among the interests which had trusted them. They had pushed their notes eagerly into circulation, and were the chief cause of the great drain of cash from the Bank of England, which exceeded any demand of the kind for more than ten years. Upwards of one hundred country banks failed. Mr. Tooke considers the distress of this period to have been exaggerated; but the failure of so many banks must have involved an incalculable amount of misery.

LOYALTY LOAN.

A writer of the present century, now no more, but one whose losses in American securities were a great gain to literature, wrote with his unequalled pen, "The warlike power of every country depends on their three per cents. If Cæsar were to reappear on earth, Wettenhall's list would be more important than his 'Commentaries;'" Rothschild would open and shut the temple of Janus; Thomas Baring, or Bates, would probably command the tenth legion; and the soldiers would march to battle with loud cries of scrip and omnium, reduced consols, and Cæsar." The following fact is some testimony of the truth of these remarks of the witty canon of St. Paul's. In 1796, the wealth of England was demonstrated in an extraordinary degree. The correspondence of Lord Malmesbury has proved that Mr. Pitt was always willing to enter into a negotiation for peace. The French directory, however, fancying that the riches of England were evaporating, were reluctant to come to terms. The belief spread throughout the country that this arose from an opinion that the resources of England were nearly exhausted, and Mr. Pitt determined to avail himself of the feeling, by demanding a loan of £18,000,000. The following were the terms proposed: "Every person subscribing £100 to receive £112 in five per cent. stock, to be unredeemable unless with the consent of the owner, until the expiration of three years after the present five per cents. shall have been redeemed, but with the option of the holder to be paid at par, at any shorter period, not less than two years from the conclusion of the definitive treaty of peace." On the first day of December the subscription opened. The bank subscribed one million, and each of the directors £400,000. The first day saw five millions subscribed, and in the second the subscription reached

nearly twelve millions. The anxiety continued on the third; and on the following Monday, the names received from the country were added before the opening of the doors, when, so great was the crowd, that numbers could not get near the books, but called out to their more fortunate brethren to enter their names. In an hour and twenty minutes the subscription was filled. "So great and so general," says Mr. Weir, "was the desire to subscribe, that the room was a scene of the utmost confusion. Persons continued to come long afterwards; and a vast number of orders were sent by post, which were too late to be executed. It is a curious fact that the subscription for this enormous sum was completed in fifteen hours and twenty minutes. The loan, from the stimulus of national excitement under which it was raised, was called "The Loyalty Loan."

SUSPENSION OF THE BANK IN 1797.

From this period a fierce and expensive war shook Europe to her centre; and England bore the burthen. In six months, William Pitt concluded seven treaties, and six subsidies; and France saw her territories invaded by three hundred and fifty thousand of the most warlike troops in Europe. But the pressure fell fearfully upon the people of Great Britain. The national debt was doubled; the national taxes were increased; the national industry was checked; and, more dangerous than all, national credit was difficult to maintain. Gold grew scarce throughout the country; bullion fled from the bank coffers; and the corporation, urged by William Pitt, strained credit, means, and almost character, to support the government of which he was the leader.

On the 28th January, 1796, the governor informed the court that £201,000 treasury bills would fall due for payment at the bank, on 3d February, and that the sum now in advance was £1,157,000. The court came to the bold resolution "That the governor give directions to the cashiers not to advance any money for the payment of these bills, nor to discharge any part of the same; unless money shall be sent for the same."

While these proceedings were pending, other causes were also in active operation. The drain of bullion continued. From month to month the bank found its stock decreasing. From month to month the directors were alarmed by the foreshadow of that which afterwards overtook them. Whether the plan they adopted to avert the difficulty was advisable, is an open question. In 1795 they began to limit their discounts. On the last day of that year the court of directors came to the following resolution, which was ordered to be placed in the discount office:

"Bank of England, 31st December, 1795.

"Pursuant to an order of the court of directors, notice is hereby given,

"That no bills will be taken in for discount at this office, after 12 o'clock at noon, or notes after 12 o'clock on Wednesday."

The diminution of gold; the price of bullion compared with the value of coin; the alarm occasioned by the position of the country, still maintaining its doubtful struggle with an unscrupulous enemy; the expensive operations of the war, which demanded extensive loans, and the subsidies to foreign powers, which carried the gold out of the country; must be accepted as reasons for the diminution of discounts, which preceded the panic of 1797. Many competent persons have been persuaded that the decrease of the circulation from 1795, so far from preventing what is popularly known as a run on the bank, possessed a contrary tendency. They asserted that, by reducing the requisite issue, and diminishing the general accommodation, a pressing demand for specie was occasioned. This idea is sup-

ported by the fact, that, from March, 1792, to June, 1793, there was a drain of cash and bullion considerably larger than in the same period during the crisis; but instead of lowering, the directors raised the amount of their discounts, and an almost immediate result was an increase of cash and bullion. There was then, however, no distrust in our political relations. The French revolution had not assumed the appearance which, in 1797, shed a gloom over all the continent, nor were government called upon to subsidize half the powers of Europe, for the sake of checking an universal anarchy.

Towards the close of 1796, and the commencement of 1797, fears of an invasion were very prevalent. Rumors of descent on various parts of the coast were freely propagated. The public were in so feverish a state that they were inclined to believe all they heard, and those possessed of public securities became anxious to receive gold in exchange. The occasion was a pressing one. The position of the directors was most responsible. The well-being of the commercial state was at issue. The drain of cash continued, and the dwindling coffers were difficult to replenish. In March, 1796, the stock of bullion was £2,972,000. By June it had fallen to £2,582,000. In September it lowered to £2,532,000. In December it was £2,508,000; and on 25th February, 1797, it had fallen to £1,272,000.

The evening of Saturday, the 24th February, 1797, was a gloomy period for most of the merchants and traders of London. More than all must the directors of the bank have felt their important and responsible position. They had seen during the week a heavy demand made on their diminished cash. They had marked their small stock of bullion decreasing day after day. They had witnessed and participated in the dismay which preyed upon the people. They knew that the demand would continue unless some method could be adopted to check it; and they felt that the period had arrived when, for the first time in their history, they must altogether cease payment of their notes; for the first time since 1697 they must fail in meeting the demands of their creditors. On the following day, Sunday, a cabinet council was held at Whitehall; and it is said that the only occasion on which the monarch violated the Sabbath was this great one. He attended the council at this important crisis; and the presence of royalty gave a high sanction to the proceedings.

To pacify the natural alarm, the following notice was freely circulated, and advertised in all the daily papers.

"Bank of England, February 27th, 1797.

"The governor, deputy-governor, and directors of the Bank of England, think it their duty to inform the proprietors of bank stock, as well as the public at large, that the general concerns of the bank are in the most affluent and prosperous situation, and such as to preclude every doubt as to the security of its notes. The directors mean to continue their usual discounts for the accommodation of the commercial interest, paying the amount in bank notes; and the dividend warrants will be paid in the same manner."

The necessity of an issue of notes under £5 being greatly felt by the commercial interest, an act was passed by the 3d of March, authorising it; and by the 10th of the same month notes for £1 and £2 were ready for delivery. The country bankers also circulated notes under £5, owing to the repeal of the act passed in 1777.

On the 3rd of May, notwithstanding the great opposition made, and the blame thrown on government, "The bank restriction act" was passed. This, which is the 37th Geo. III., is entitled "An act for continuing for a limited time the restriction contained in the minute of council of 26th Feb'y, 1797." By it the bank directors were not permitted to issue cash, except for sums under twenty shillings. But if any person lodged specie in the bank, he

might be repaid to the extent of three-fourths of the sum lodged, if it exceeded £500. The directors were also allowed to advance to the bankers any sum not exceeding altogether £100,000. They were also permitted to lend £25,000 each to the bank, and Royal Bank of Scotland. The act was only to remain in force till the 24th of June. On the 22nd of that month, however, another was passed continuing the restriction of cash payments until one month after the commencement of the following session; and in November a third act was passed, limiting it to the somewhat indefinite period of six months after the conclusion of the war.

On the 17th of November, a report from the committee of secrecy was ordered to be printed, of which the following is an abstract. The total amount of outstanding demands on the bank on the 11th of November was £17,578,910, while the funds for discharging the same (not including £11,686,800 due from government) was £21,418,460. The bankers and traders, who might have claimed three-fourths of their deposits in cash, had only demanded one-sixteenth. Notwithstanding, however, all these favorable circumstances, the committee concluded by saying, "they were led to think it would be expedient to continue the restriction" from the political circumstances of the period.

RENEWAL OF CHARTER OF 1800.

For the renewal of the charter in 1800, the bank proposed to lend three millions for six years, without interest; a right being reserved to them of claiming repayment at any time before the expiration of six years if consols should be at or above eighty per cent. In the event of such repayment they were to allow six per cent. per annum on the sum repaid for such part of the six years as might remain.

The circulation of £1 notes proved conducive to a melancholy waste of human life. Considering the advances made in the mechanical arts, they were rough and even rude in their execution. Easily imitated, they were also easily circulated; and from 1797 the executions for forgery augmented to an extent which bore no proportion to any other class of crime. During six years prior to their issue there was but one capital conviction: during the four following years eighty-five occurred.

By the act of November, 1797, the payment of cash was restricted to within six months after the conclusion of the war. It became therefore necessary in April, 1802, to increase this limit. The motion was carried, and the bank restricted from paying cash before 1st March, 1803.

STUPENDOUS FRAUD UPON THE BANK.

In the year 1803, Mr. Bish a member of the stock exchange, was applied to by Mr. Robert Astlett, cashier of the Bank of England, to dispose of some exchequer bills. When they were delivered into Mr. Bish's hands, he was greatly astonished to find not only that these bills had previously been in his possession, but that they had been also delivered to the bank. Surprised at this, he immediately opened a communication with the directors, which led to the discovery of the fraud, and the apprehension of Robert Astlett. By the evidence produced on the trial, it appeared that the prisoner had been placed in charge of all the exchequer bills brought into the bank, and when a certain number were collected, it was his duty to arrange them in bundles, and deliver them to the directors, in the parlor, where they were counted, and a receipt given to the cashier.

This practice had been strictly adhered to; but the prisoner, from his ac-

quaintance with business, had induced the directors to believe that he had handed them bills to the amount of £700,000, when they were only in possession of £500,000. So completely had he deceived these gentlemen, that two of the body vouched by their signatures for the delivery of the larger amount.

At the next half-yearly meeting of the proprietors it became necessary for the governor to state that a loss had been sustained through Mr. Astlett of £320,000, £78,000 of which the directors hoped to recover. It was announced that this would make no alteration in the dividend, although it amounted to nearly the entire interest of the half-year. The governor then stated that the directors were not to blame for the malpractices of Mr. Astlett, who had succeeded in making away with the effects of the bank by interlineations, and by calling out false sums, when the property was regulated. A very satisfactory explanation was given, by which it appeared that the directors had relied on Mr. Astlett's character and long fidelity. Under all circumstances it was stated that it would have required a supernatural power to have at first detected him.

Since 1786, when the charge upon each million of the public debt had been reduced from £562 10s. to £450, no change had occurred. The national debt, which then was £224,102,424, and for the management of which £100,846 were paid, amounted in January, 1807, to £550,441,314 on which £265,818 were received by the bank, in addition to the original £4,000 and £1,898 on £4,000,000, bought from the South Sea Company.

The name of Abraham Newland, that name by which the notes of the bank were often indicated, is familiar to most readers. In 1807 he retired from the office of chief cashier, after a service of more than half a century. His last act was to decline the pension which the liberality of the directors offered. The same year he died; and as a specimen of the fortunes which were occasionally amassed in the service of the establishment, it may be mentioned that his property amounted to £200,000, besides £1000 a-year landed estates. It must not be supposed that this was saved from his salary. During the whole of Mr. Newland's career, the loans, which during the war were made almost yearly, and occasionally oftener, proved very prolific. A certain amount of them was always reserved for the cashier's office (one parliamentary report names £100,000,) and as they generally came out at a premium, the profits were great. The family of the Goldsmiths, then the leaders of the stock exchange, contracted for many of these loans, and to each of them he left £500, to purchase a mourning ring. From some remarks in the papers it may be gathered that the large funds of Mr. Newland were occasionally lent to these gentlemen, to assist their varied speculations. It was also the subject of frequent allusion in the pamphlets of the period; and as those who know the least are frequently the most confident, there was not much ceremony used in the strictures passed upon Mr. Abraham Newland.

DEPRECIATION OF PAPER.

At one period in 1811 the market price of gold touched £5 11s., and the bank note sunk to 14s. A regular traffic was maintained; guineas were bought at a premium, and bank notes sold at a discount. In spite of Lord Stanhope's act, the traffic continued. While the mint coined, there were always exporters ready to take advantage of the exchanges; it was, indeed, according to one of the members, only a contest which would tire first. "The havoc which the depreciation had made with all the dealings of men," says lord Brougham, "was incalculable. Those who had lent money when

the currency was at par, received the depreciated payment, and lost thirty or forty per cent. Those who had granted leases received only two-thirds of their interest, and were liable to be paid off with two-thirds of their capital." In 1812 and 1813, as much as six Spanish dollars could be obtained in any part of the Mediterranean for an English guinea. With such a temptation to send gold abroad, it was not likely that English traders and speculators should be prevented from sending gold to the best market. Even in England, Scotland and Ireland, the practice of hoarding specie, during the whole of this revolutionary war, was far from being uncommon. Again, every English officer, traveller, or merchant that went abroad, endeavored to carry with him some gold, as a *corps de reserve*, in case of capture by the enemy, or of other accident. Through all these causes united, a guinea, half a guinea, or seven shilling piece had become a rare sight in Great Britain."

RESUMPTION OF SPECIE PAYMENTS.

In 1821, after a quarter of a century, the bank recommenced specie payments. The currency bill of Mr. Peel allowed them the option of paying in gold coin on and after the 1st of May, 1822. Anxious, however, to meet the spirit of the act, which required a return to a metallic currency whenever it should be safe to all interests, the directors commenced paying on the 1st of May, 1821. Of the beautiful coin so well known as the sovereign, which was produced in 1817, 9,971,364, were issued during the ensuing year.

It is a curious fact that, a few weeks before, a writer who possessed considerable weight with the public, confidently affirmed, that the carrying out of the measure which prescribed the bank to pay the bullion at mint prices, on the 1st of May, 1822, would be attended with most unfortunate circumstances to the country. His assertion, for the fulfilment of which he offered to stake his life, had not long been made known, when the bank came forward, begging that they might be permitted to anticipate by a year the term fixed on for their payment in coin.

When this subject was mooted in the house, Mr. Baring proposed the establishment of a double standard, to consist of gold and silver. He also condemned the committee appointed to inquire into the question of forgery, who had failed because they had entertained an overweening solicitude to discover something absolutely perfect.

FINANCIAL CRISIS OF 1825.

The vast quantity of gold expected from the South American mines was so great that many well-informed persons, according to Mr. Tooke, "believed, and acted on the belief of, a diminished value in gold and silver in consequence." A journalist of the day, writing on what was evidently a feeling, if not a belief, founds on it an essay, of which the following is an extract: "The chancellor of the exchequer was obliged to give up his customary budget, and introduced a new system of duties in kind. I had an opportunity of hearing a right honorable gentleman, who filled that situation, very pathetically lament that the 'over-production of gold then, was as great an evil as the over-production of grain had been formerly.' 'Once,' he added, 'the difficulty was how to get gold; then the question to be put was how to spend it; for the nation already resounded with the lamentations of sufferers, forming creditors of the state, but who had been paid off with gold.'"

"The wildness of speculation," says "Knight's History of London,"

"was not, however, confined to joint-stock projects; but at length reached to commercial produce generally. Money was abundant, and circulated with rapidity. Prices and profits rose higher and higher, and, in short,

"All went merry as a marriage bell."

The newspapers could scarcely contain the announcements which day after day poured from the prolific pens of the schemers. Shares were issued at high premiums; loan after loan taken at high rates; but high as they were contracted, the extravagant feeling of the period sent them all higher. The Real del Monte Mining shares, the value of which may be known from being quoted shortly after at 377 discount, reached 1400 premium, making a difference of £1777 per share.

The following table will give an idea of the height to which the madness of the period had raised the prices of shares in one month:

		Dec. 10.	Jan. 11.
Anglo-Mexican,	£10 paid	£33 pm.	£158 pm.
Brazilian,	10	10s. dis.	70 pm.
Columbian,	10	19 pm.	82 pm.
Real del Monte,	70	550 pm.	1350 pm.
United Mexican,	10	35 pm.	155 pm.

But a great change was at hand. This desire of adventure, and the rising aspect of all markets, created an unfavorable foreign exchange, which, together with the specie, sent to fulfil the loans made to foreign states, occasioned seven millions and a half of gold to be subtracted from the bank coffers by November, 1825.

In that month the alarm began. By the 23d of November greater difficulty existed in obtaining commercial discounts than had been experienced for some years. The extreme caution of the directors of the bank, who, witnessing a decline in the exchanges, feared a fresh exportation of their gold, was the immediate cause.

The following from the "Times," will give some idea of the intense anxiety to obtain money. Yesterday was the day for effecting discounts at the bank on London bills. It is customary to leave them the day before, and the answer is returned on Thursday. The decision is usually given before one, at the latest. Long before that hour had struck, the place was besieged, and when at last the expected time came, notice was given that the answers could not be announced till two. Two o'clock arrived, and the anxiety of these who waited was at the highest pitch; and then another notice was given, stating that a further delay must take place till half-past two. During the whole of the period the directors were in close deliberation in the bank parlor. By this time the assembly was immense, and when intimation was made that the arrangements were complete, a rush similar to that at a theatre, ensued, to gain access to the window at which answers were to be given. The confusion was so great that when four o'clock arrived the crowd had not dispersed, and it could not be ascertained whether the bills were discounted, or part discounted, or rejected. During the ministration of the clerk at the window he was frequently called away to receive fresh instructions. The directors did all in their power, but that power was limited.

So great was the emergency, that the principals of some of the first mercantile firms waited in person, in anxious expectation, to hear their fate.

On the 12th of December, 1825, the crash which struck terror and alarm throughout London, commenced with the partners in the banking house of sir Peter Pole & Co., which was said to have yielded £40,000 a year

for the previous seven years, announcing their incapacity to meet the claims of their creditors. At nine o'clock this stoppage was known, and the exchange was resorted to, to ask the cause, and inquire if other houses were in danger. Forty-four country banks were connected with the firm, and the ruin of many was anticipated. The agitation of the city exceeded every thing that had been witnessed for a century. The funds fluctuated violently. Rumors of the failures of other firms spread rapidly. On the 13th an important house, possessed of half a million of undeniable securities, declared, after a most severe pressure, an inability to redeem its creditors.

Many a firm, of unimpeachable honor and unquestionable solvency, was compelled to bend before the storm. The merchant looked to his banker for support; but all the efforts of the latter were directed to save himself from destruction. The usual channels of credit were stopped, and the circulation of the country completely deranged. Cheques came pouring in from all quarters; and it was remarked that, "the question would soon be, not who goes, but who stands?" On the exchange the names of other firms were openly mentioned; and no report, however absurd, failed to obtain implicit belief.

A Cambridge bank advertised that "they would keep open an hour or two later, and open the next morning an hour earlier, that the holders of their notes, if there be any then in circulation, may have them exchanged for gold or bank paper." The Messrs. Gurney, at Norwich, by boldness in going beyond their usual line, saved many from ruin, and lost nothing worthy of notice through it. But it is to be feared that these are few, though honorable exceptions. An Oxford bank ostentatiously exhibited such a profusion of gold that every one was satisfied, and no person thought of demanding it.

Country bankers from all parts of England were in town, trying to secure cash. The heads of all the London houses were as regular in their attendance as their clerks. It was common to hear of men, worth £100,000, begging the loan of £1,000 as a personal favor, on unexceptionable security. The gloom spread to the exchange. Exchequer bills fell to sixty-five shillings discount, and the brokers closed their books, and refused to engage in any transactions whatever. The bankers from the provinces demanded gold, not to the extent of their circulation, but to the extent of all their engagements of every description, in anticipation of a run. Many packages of gold forwarded to these gentlemen came back unopened. Hundreds of thousands of sovereigns, said Mr. Poulett Thompson, were sent which were returned unpacked and untouched, having been provided only to meet the chance of a run.

From the 11th to the 17th December, the demand for gold was urgent, incessant, and insatiable. A suggestion was made to government for an order in council to restrain the payments in specie, under the apprehension that it might be exhausted. Mr. Canning is reported to have replied, in one of his emphatic sentences, that "he would never consent to a thing of that sort." But the most extraordinary feature of the application was the advice of Mr. Huskisson to place a paper against their doors, stating they had not gold to pay with, but expected it shortly. It is, perhaps, more extraordinary that the bank deliberated upon it; but allowances must be made for the agitation and anxiety of the time. There was no market for bank, there were no buyers of East India stock. It was the opinion of Mr. Huskisson that in forty-eight hours all dealings would have been stopped, between man and man, except by way of barter. Owing to the difference in the money and account prices of consols, those bankers, who were compelled to sell stock

to raise cash, paid at the rate of 72 per cent. for the necessity. On the 13th the bank raised the discount to 5 per cent.

The following description of the position of the governor and directors of the bank at this period is from the mouth of its deputy governor:

"In autumn the bank very seriously began to contemplate what would be the result of the speculations. Not only the bank, but every man's mind connected with the city, was in an extreme state of excitement and alarm. I think I can recollect on the first Saturday in December having come home, after a very weary and anxious day, from the bank, receiving a visit from two members of the committee, and one of our bankers of that class, at my own house, stating the difficulty in which a banker's house near the bank was placed. The object was to ascertain my views. I was called upon in consequence of the governor being connected with the house of Pole & Co. by marriage, and other circumstances. I ventured to encourage these gentlemen that upon any thing like a fair statement the bank would not let this concern fall through. It was agreed that on the following morning (Sunday) we should meet as many directors as I could get together, with the three gentlemen who had called upon me, and that some eminent merchants, friends of the house, should be called to the meeting, to assist with their opinion. The result was that the directors authorised their chairs to say that assistance should not be wanting. It was agreed that £300,000 should be placed at the disposal of Pole & Co. the next morning, on the security of a number of bills of exchange and notes of hand, and over and above, a mortgage on Sir Peter Pole's property, which was to ride over the whole. During that week, I believe, the attention of every man was directed much more to the state of that house than to any thing else. They fought through it till Thursday or Friday pretty manfully, and about that time, from a conversation I had with a partner in the house, I was led to fear that it might fail: however, it fought on till Saturday evening. Sunday passed, and on Monday the storm began, and till Saturday night it raged with an intensity it is impossible for me to describe. On the Saturday night it had somewhat abated. The bank had taken a firm and deliberate resolution to make common cause with the country, as far as their humble efforts would go. On Saturday night it was my happiness, when I went up to the cabinet, reeling with fatigue, to be able just to call out to my Lord Liverpool, and to the members of his majesty's government then present, that all was well. Then, in the following week, things began to get a little more steady, and by the 24th, what with the one pound notes that had gone out, and other things, people began to get satisfied. Then it was, for the first time in a fortnight, that those who had been busied in that terrible scene could recollect that they had families who had some claim upon their attention. It happened to me not to see my children for that week."

It is gratifying to add the opinions of such men as the late Mr. Rothschild, Mr. George Grote, and Mr. George Carr Glyn, upon the conduct of the bank during the emergency. Mr. Rothschild said, "at the time of the last panic I think there was a great deal of credit due to the governor of the bank." On another occasion, he remarked, "I think the bank discounted all the bills sent in as liberally as possible. They discounted every thing." Mr. George Grote described their conduct "as liberal and daring; but as judicious as proper." Mr. George Carr Glyn asserted that "the commercial public were exceedingly indebted to them at that time; they rendered every assistance in their power." Mr. Attwood "gave great praise to the bank for a remarkable degree of moral firmness during this panic, in throwing its notes out into circulation, which prevented a catastrophe, so distressing, that he would not attempt to describe it."

As a proof of the justice of these opinions, it may be mentioned, that on the 8th December, the discounts amounted to £7,500,000, on the 15th they were £11,500,000, and on the 29th, £15,000,000.

GENERAL SUMMARY.

	Capital required.	Amount actually advanced.	No. of shares.
127 Companies now existing.....	102,781,600	15,185,950	1,618,340
118 Ditto abandoned.....	56,606,500	2,419,675	848,600
236 Ditto projected.....	143,610,000		2,535,380
143 Do. projected (No. 2) not particularised	69,175,000		959,000
	<u>£ 372,173,100</u>	<u>£ 17,605,625</u>	<u>£ 5,961,320</u>

Nor will the accompanying list of foreign loans, contracted for in 1824 and 1825, be less interesting to the reader.

FOREIGN LOANS CONTRACTED FOR IN 1824.

	Nom. Capital.	Cont. price.	Mny. advncd.
Austria, 5 per cent.....	3,500,000	82½	2,887,500
Brazil, ditto	1,200,000	75	900,000
Portugal, ditto	1,500,000	87	1,305,000
Greece, ditto	800,000	59	472,000
Columbia, 6 per cent.....	4,750,000	88½	4,203,750
Buenos Ayres, ditto.....	1,000,000	85	850,000
Mexico, 5 per cent.....	3,200,000	58	1,856,000
Peru, 6 per cent.....	750,000	77	577,500
Naples, 5 per cent.....	2,500,000	92½	2,312,500
	<u>£ 19,200,000</u>		<u>£ 15,364,250</u>

IN 1825.

	Nom. Capital.	Cont. price.	Mny. advcd.
Brazil, 5 per cent.....	2,000,000	85	1,700,000
Mexico, 6 per cent.....	3,200,000	89½	2,872,000
Greece, 5 per cent.....	2,000,000	56½	1,130,000
Denmark, 3 per cent.....	3,625,000	75½	2,718,750
Peru, 6 per cent.....	616,000	78	480,480
Gautemala, 6 per cent.....	1,428,571	73	1,042,988
	<u>£ 12,869,571</u>		<u>£ 9,944,218</u>

SUMMARY.

	Capital.	Amount advanced.
Foreign loans of 1824.....	19,200,000	15,364,250
Ditto 1825.....	12,869,571	9,944,218
Total.....	<u>£ 32,069,571</u>	<u>£ 25,308,468</u>

The opinion of Mr. Palmer is presented at length, because it enters more calmly into the question, and because from his position he could best afford to regard it in a dispassionate light.

"I have always considered that reduction of interest, one-fifth in one case and one-eighth in the other, to have created that feverish feeling in the minds of the public at large, which prompted almost every body to entertain

any proposition for investment, however absurd, which was tendered. The excitement of that period was further promoted by the acknowledgment of the South American republics, by this country, and the inducements held out for engaging in mining operations, and loans to those governments in which all classes of the community in England seem to have partaken. Almost simultaneously with those speculations, arose general speculation in commercial produce, which had an effect of disturbing the relative values between this and other countries, and creating an unfavorable foreign exchange, which continued from October, 1824 to November, 1825, causing a very considerable export of bullion from the bank; about seven millions and a half. The bank were, even at the latter period, sufficiently provided with bullion for their own purposes; and had it not been for the internal demands to which I have alluded in the former part of my evidence, would have weathered the storm."

As a conclusion to this chapter, and as, perhaps, the true origin of the crisis is here stated, the following, from the pen of one, who, if he had not had riches "thrust upon him," would, in all probability, have been a great man, instead of being simply a great banker, is well worthy an attentive perusal. There is the finest of all philosophies, the philosophy of nature, in the remark. "The history of what we are in the habit of calling the 'state of trade' is an instructive lesson. We find it subject to various conditions which are periodically returning; it revolves apparently in an established cycle. First we find it in a state of quiescence, next improvement, growing confidence, prosperity, excitement, overtrading, convulsion, pressure, stagnation, distress, ending again in quiescence."

AID TO THE MERCANTILE INTEREST.

But the difference of creeds on the topic of the currency cannot be more explicitly expressed than in the following commencement of Mr. Warde Norman's pamphlet: "Of all the great questions that have for many years occupied public attention, there is not one on which opinions have prevailed more discordant, or less reconcilable for the most part, to sound principles, than the important subject of currency and banking. The discussions in the periodical press which, on other matters, have so greatly tended to enlighten and instruct, upon these seem calculated almost universally to darken and mislead."

The directors of the Bank of England, therefore, feeling that this distress was harassing to the public interest, determined to do all in their power to relieve it, and agreed to make advances to private individuals on the deposit of goods, merchandise, and other securities, to the amount of three millions; and in the principal commercial districts commissioners were appointed to carry the arrangement into execution.

The following is a list of the places, with the total advance to the manufacturers in each:

Manchester . . .	£115,490	Huddersfield . . .	£30,300
Glasgow . . .	81,700	Birmingham . . .	19,600
Sheffield . . .	59,500	Dundee . . .	16,500
Liverpool . . .	41,450	Norwich . . .	2,400

In this year the directors commenced a system which has been found of great benefit to the monetary interest. The period during which the stocks were closed to prepare for the payment of dividends, prevented many persons from availing themselves of those funds to which they looked for support; and occasioned a pressure on the money market. For the relief of this, a notice was issued to the effect, that the directors would be ready to

receive applications for loans, on the security of bills of exchange, exchequer bills, and East India bonds, at three per cent. These loans, which were proposed to commence on the 5th December, 1829, were to be for sums of not less than £2000, for a period of not less than ten days, and were to be repaid on or before the succeeding 15th of January. On the same day, also, the 3d December, 1829, notice was given that, from and after that day the bank would be ready to receive applications for loans on the deposit of gold bullion, to be valued at 77s. 9d. per ounce, at £2 per cent. per annum.

In 1830, the interest on the new four per cent. stocks, which had already been reduced from five per cent., was again reduced to three-and-a-half, from which operation they derived their name of the "New 3½ per cents."

From the pamphlet of Mr. Palmer, the following is given as a clear, succinct account of the financial position of the bank from 1830 to 1832. Nor can a better or sounder authority be taken. "It was shown in evidence," says this gentleman in his "Causes and consequences of the pressure on the money market," "that the policy pursued by the bank subsequent to the withdrawal of the £1 and £2 notes in England and Wales, had been to maintain their securities as nearly as possible at a fixed amount, and to allow the contraction of the currency, effected by the return of bank notes for bullion, gradually to proceed until the value of the paper money, remaining in circulation, was so far increased as to occasion the return of that specie to the bank which might have been exported, and thus to replace the currency upon a level with that of other countries. That system had appeared to work satisfactorily, and without any forced action on the part of the bank in contracting its circulation. It was tried upon the change of government in France, in July, 1830, when credit throughout that kingdom was shaken to its foundation. At that period the Bank of England was possessed of twelve millions of bullion. Immediately on the events referred to taking place, the currency of England exhibited an excess, compared with France and other parts of Europe. The consequence of that derangement between the currencies of this and other countries was a continued diminution of the bullion held by the bank, from July, 1830, to February or March, 1832; when the increased value of money in England, and the gradual restoration of credit on the continent, gave a favorable turn to the foreign exchanges which continued in our favor till the autumn of 1833, at which time, the bullion, in deposits, amounted to nearly eleven millions. At this period an exportation of the precious metals again commenced, from causes that will hereafter be explained, as well as the reason why that system, which appeared to adjust itself so satisfactorily from 1830 to 1832, failed from 1833 to 1836; for although during the former period the bullion in the bank was diminished from twelve to five millions, yet in the progress of this reduction, as there was no excitement and no undue credit given by the bank in the interior of the country, the interest of money gradually rose from 2½ to 4 per cent. per annum for first-rate commercial paper, and then, without discredit or distrust of any kind, the bullion returned into the coffers of the bank, and money nearly resumed its former value, having gradually fallen from 4 to 2½ per cent. in July, 1833."

RUN UPON THE BANK.

In 1832 occurred the last run upon the bullion of the bank occasioned by political causes. The reform bill, introduced by lord John Russell, had stirred party feeling to its very depths. The powerful owners of what were termed pocket boroughs saw their property attacked, and their influence depreciated. The measure was negatived by a majority of eight. The king

went down to the house of lords, "and, in the midst of one of the most extraordinary scenes that ever occurred in that place," prorogued parliament till the 10th of May. The excitement was increased by a general election, and popular feeling triumphed; but the license exceeded any thing ever witnessed under similar circumstances. Life and property were no longer secure to those candidates who opposed the measure. An opponent of the bill was stoned before the altar. Conscientiousness was regarded as obstinacy and the only hope for opposing candidates was to be found in flight or concealment.

In the lower house the bill was again introduced, and passed by a large majority. The speech made by lord Brougham in the upper, was so extraordinary in its varied sarcasm, learning, and great earnestness, that one of the public came down to the Bank of England, and transferred £200 into his lordship's name, as a testimony of his appreciation. The measure was rejected in the house of lords. A strange feeling of excitement spread throughout the country. Meetings were held all over England, by all classes, pledging themselves to the support of government. The lord mayor and corporation, attended by 50,000 followers, presented an address to the throne. The principal opponents of the bill were marked with the disapprobation of the populace. The residence of the duke of Wellington was attacked. A shower of stones bore the marquis of Londonderry from his horse, as the most unanswerable of all arguments. The duke of Cumberland was dragged to the ground, and would probably have been killed, but for the interference of the police. The mansion of the duke of Newcastle, the head of the borough proprietors, was fired. The archbishop of Canterbury was insulted; and Bristol emulated the London riots of 1780. The following December the same scenes, but with increased violence, recurred. The ministry resigned.

For a week the corporation sustained a run upon its specie, which was reduced to £4,919,000. In one day £307,000 were paid. It soon became very questionable whether the run for gold would not drain every banker in the kingdom, and the writing on the wall spake to those having authority with a power far exceeding the most brilliant oratory. Lord Lyndhurst found it impossible to form a ministry; and earl Grey was recalled.

FORGERIES.

The exactitude with which the bank circulation was copied, and the ease with which, therefore, it would deceive the intelligent as well as the illiterate, through the hands of the latter of whom the small notes principally circulated, was proved, to use the words of the committee of the society of arts, by "the notorious fact, corroborated by evidence produced at several recent trials, that forged notes have passed undetected through the scrutiny of the bank inspectors."

The conviction that some check was necessary grew more and more peremptory as the evils of the system were exposed. In fourteen years from the first issue of small notes, the number of convictions was centupled. In the ten first years of the present century £101,661 were refused payment on the plea of forgery. In the two years preceding the appointment of the commission directed by government to inquire into the facts connected with forging notes, nearly £60,000 were presented, being an increase of 300 per cent. In 1797, the entire cost of prosecutions for forgeries was £1500, and in the last three months of 1818 it was near £20,000. Sir Samuel Romilly said that "pardons were sometimes found necessary; but few were granted except under circumstances of peculiar qualification and mitigation. He

believed the sense and feeling of the people of England were against the punishment of death for forgery. It was clear the severity of the punishment had not prevented the crimes."

One petition against the penalty of death was presented which bore three names only; but those were an honorable proof of the prevalent feeling. The name of Nathan Meyer Rothschild was the first, "through whose hands," said Mr. Smith, on presenting the petition, "more bills pass than through those of any twenty firms in London." The second was that of Overend, Gurney & Co., through whom thirty millions passed the preceding year; and the third was that of Mr. Sanderson, ranking among the first in the same profession, and a member of the legislature.

FAILURE OF THE GOVERNOR IN 1834.

In 1834, a great sensation was created throughout England, by a circumstance which was only important from its connection with the corporation. Mr. Richard Mee Raikes, governor of the bank, a gentleman universally respected, was compelled, from various unforeseen events, to announce a suspension of payments, which was followed by the appearance of his name in the list of bankrupts. The rumor spread among the less-informed class, among the dwellers in the suburbs, and the inhabitants of the country, that the governor of the bank had failed. The annuitants and small class of fund-holders, who look upon the head of the establishment as an integral part of the corporation, regarded their fortunes gone, and their property forfeited. The autumn dividends were just due; and it was remarkable to witness the earnestness with which they were applied for. The offices were crowded with applicants; and if the slightest delay occurred, though occasioned by their own ignorance, they regarded it as an invidious delay of their rights, and a confirmation of their fears. Time, however, in this as in other things, brought "healing on its wings," and confidence to the breasts of the public creditors.

The commencement of banks in the metropolis with more than six partners, demands a brief remark. "The London and Westminster" and "London joint-stock" banks, were the first establishments of the kind, and from a combination of causes have commanded complete success. Mr. Gilbart has, in his history and principles of banking, discussed, in a very able manner, the comparative merits of joint-stock banks and private banking houses; and though he may be regarded as a partial, if not a prejudiced writer, there is an equitable statement of truths in his essay, which demand respect, at whatever opinion the reader may arrive. The formation of the bank to which this gentleman is attached, is memorable from the dislike evinced to it by the private bankers refusing to allow a clerk from the new establishment to attend at the clearing house. The directors of the "London and Westminster" also considered themselves aggrieved because the Bank of England declined to allow them a drawing account, and alluded to both these circumstances in their yearly report. Such occurrences are incidental to all new concerns, and the rights of the bank stock proprietors are the bounden charge of those whom they choose to manage their affairs.

In 1834 symptoms of a dormant spirit of speculation might have been discovered in various propositions for foreign loans; joint-stock banks; and one,—the London and Southampton-Railway. The year 1835 witnessed a continuance of the same spirit; and in May, of that year, the speculation in Spanish funds, which had been extensively carried on, suddenly exploded. The bullion began to flow out of the bank, and by the 2nd of June it was reduced to £6,150,000. In the following August a notice was issued by the

bank, that advances would be made on exchequer bills, India bonds, stock, and other approved securities at $3\frac{1}{2}$ per cent.; the previous rate for similar advances being 4 per cent. In August, 1835, the proposition for the West India loan was made; and in the opinion of those opposed to the bank, the above reduction of interest added a stimulus to the excitement then prevalent. The bullion in the coffers of the bank, which on the average of the three months before October, 1833, had been £10,900,000, had fallen by the June average of 1835 to £6,150,000. This reduction was considered by Mr. Palmer, in his "Causes and consequences of the pressure upon the money market," to arise from the loans to Portugal and Spain. "These loans were going forward from July, 1833, until towards the end of 1834, when the profits realised upon the daily extending engagements in the foreign stock market engendered a further spirit of speculation in almost every kind of previously neglected South American, Spanish and Portuguese bonds, causing an enormous advance in all, and in some nearly 100 per cent. In short, until the spring of 1835, hardly a packet arrived from the continent, which did not come loaded with every sort of foreign securities for realization upon our foreign stock market." But other causes were in operation, one of which is to be found in the measures taken by president Jackson to establish a metallic currency in the United States, which partially assisted to drain the vaults of the Bank of England. The demand ceased in May, 1835; and the directors increased their circulation to the extent of five millions, from August to the close of the year.

The customary result of the wild love of speculation of 1836, to which allusion has been made, was witnessed in panic, prostrate credit, languid commercial operations, and a drain upon the Bank of England. The joint stock banks felt the pressure. The Agricultural and Commercial Bank of Ireland suspended payments; and a fearful panic, from the stoppage of the Northern and Central Bank of Manchester, with numerous branches, was only prevented by the assistance of the Bank of England. During this period the bullion had been again diminishing, and on the 17th of November it had fallen to £4,933,000, and a fortnight after the determination had been taken to support the Northern and Central Bank, an account of which is given at a later period, it fell to £4,545,000. The great importance of the corporation was experienced in its resolution to support commercial credit; but the panic was, as usual, productive of many opinions as to the cause.

DUTIES OF THE GOVERNOR.

The governor or deputy-governor, one of whom is always supposed to be in the house, assisted by a select committee of three directors, conducts the daily business, in the intervals between the sittings of the court. The treasury committee consist of the governor and deputy-governor, the directors who have passed the chair, and the gentleman next in rotation for the deputy-governorship. The bullion is purchased by the governor, who considers he has no power to refuse the issue of notes in return for gold bullion; as a paper currency, founded upon gold, is the main object of the institution. He does not regulate the price of bullion, which is bought at £3 17s. 9d., and sold at £3 17s. 10½d. It was formerly at £3 17s. 6d.; but government considered this too low, and suggested the existing price.

When gold coin is demanded in large quantities, it may be delivered in bags to almost any amount in the course of a day. But the largest amount that can be paid in one day by about twenty-five clerks, if counted by hand to the public, would be about £50,000. During the recent crisis of 1847, the enormous amount of £307,000 were paid in coin in one day.

ANNUAL DIVIDENDS OF THE BANK OF ENGLAND,
From 1694 to 1846, inclusive.

1694	Per ct.		Per ct.		Per ct.		Per ct.
To 1697	8		1706	18½		1715	7½
1698	7		1707	7½		1716	8
1699	9½		1708	12½		1717	8
1700	10½		1709	8½		1718	8
1701	9		1710	7½		1719	7½
1702	12		1711	7		1720	7½
1703	16½		1712	8		1721	6
1704	15½		1713	8		1722	6
1705	15½		1714	8		1723	6
						1724	6
						1725	6
						1726	6
						1727	6
						1728	5½
						1729	5½
						1730	5½
						1731	5½

Dividends—with the highest and lowest prices of Bank of England Stock.

1732	5½	152	109	1771	5½	155	134	1810	10	276	273
1733	5½	151	130	1772	5½	153	144	1811	10	251	229
1734	5½	140	132	1773	5½	143	139	1812	10	232	212
1735	5½	146	138	1774	5½	146	139	1813	10	242	211
1736	5½	151	148	1775	5½	146	141	1814	10	266	234
1737	5½	151	142	1776	5½	143	134	1815	10	262	219
1738	5½	145	140	1777	5½	138	128	1816	10	262	215
1739	5½	144	115	1778	5½	120	107	1817	10	294	220
1740	5½	144	138	1779	5½	118	106	1818	10	292	207
1741	5½	143	135	1780	5½	116	109	1819	10	267	210
1742	5½	143	136	1781	5½	119	105	1820	10	226	215
1743	5½	148	145	1782	6	124	109	1821	10	240	221
1744	5½	148	116	1783	6	135	112	1822	10	252	235
1745	5½	147	133	1784	6	118	110	1823	8	246	204
1746	5½	136	125	1785	6	142	111	1824	8	245	227
1747	5	129	119	1786	6	158	138	1825	8	299	196
1748	5	129	117	1787	6	160	145	1826	8	223	193
1749	5	140	128	1788	7	178	158	1827	8	217	200
1750	5	136	131	1789	7	191	169	1828	8	215	203
1751	5	142	135	1790	7	188	164	1829	8	218	208
1752	5	149	141	1791	7	204	178	1830	8	203	194
1753	4½	144	135	1792	7	219	171	1831	8	204	189
1754	4½	135	130	1793	7	180	161	1832	8	208	185
1755	4½	162	119	1794	7	169	153	1833	8	213	190
1756	4½	121	114	1795	7	180	152	1834	8	225	211
1757	4½	120	115	1796	7	180	142	1835	8	225	208
1758	4½	123	116	1797	7	146	115	1836	8	219	199
1759	4½	123	109	1798	7	138	118	1837	8	212	203
1760	4½	114	101	1799	7	176	134	1838	8	208	201
1761	4½	116	98	1800	6¾	175	154	1839	7	206	177
1762	4½	119	91	1801	7	190	148	1840	7	179	156
1763	4½	131	111	1802	7	207	178	1841	7	173	157
1764	4½	127	112	1803	7	193	136	1842	7	173	165
1765	5	136	126	1804	7	169	146	1843	7	185	172
1766	5	139	135	1805	7	197	167	1844	7	211	185
1767	5½	159	142	1806	7	223	191	1845	7	215	199
1768	5½	170	158	1807	10	235	208	1846	7	211	199
1769	5½	175	149	1808	10	240	224				
1770	5½	153	105	1809	10	288	235				

BANK ITEMS.

BANKS OF THE STATE OF NEW YORK.

Comparative view of the condition of the Banks of the State of New York, at four different periods.

<i>Liabilities.</i>	Nov. 1, 1845.	May 1, 1846.	Aug. 1, 1847.	Nov. 1, 1847.
Capital.....	\$ 42,845,000	\$ 42,829,000	\$ 43,214,000	\$ 43,279,891
Undivided profits.....	5,018,000	5,115,000	5,846,000	6,043,532
Circulation, old.....	881,000	824,000	735,000	716,620
Circulation, registered.....	20,494,000	19,992,000	24,364,000	25,520,636
Due treasurer of the state..	631,000	292,000	793,000	1,009,945
Due canal fund.....	1,581,000	364,000	1,290,000	1,603,119
Individual deposits.....	31,774,000	31,721,000	36,781,000	35,066,818
Special deposits.....	760,000		932,000	966,840
Bank balances.....	12,830,000	11,824,000	24,103,000	17,034,010
Due treasurer U. S.....	3,003,000	3,493,000		
Miscellaneous.....	585,000	550,000	710,000	977,865
Total liabilities.....	\$ 120,402,000	\$ 116,995,000	\$ 138,768,000	\$ 132,249,276
<i>Resources.</i>	Nov. 1, 1845.	May 1, 1846.	Aug. 1, 1847.	Nov. 1847.
Loans and discounts.....	69,165,000	66,808,000	73,743,000	74,138,431
Loans to directors.....	4,168,000	4,876,000	4,810,000	4,574,856
Loans to brokers.....	1,468,000	907,000	2,187,000	1,545,242
Bonds and mortgages.....	3,182,000	3,034,000	2,730,000	2,712,840
Stocks, &c.....	10,963,000	10,990,000	12,414,000	13,474,548
Due from directors.....	33,000	87,000	19,000	4,675
Due from brokers.....	363,000	417,000	526,000	624,658
Total loans.....	\$ 89,322,000	\$ 87,069,000	\$ 96,429,000	\$ 97,075,250
Real estate.....	3,645,000	3,516,000	3,489,000	3,464,618
Bank fund.....	236,000	173,000	148,000	140,392
Loss and expense account...	426,000	384,000	275,000	491,519
Overdrafts.....	133,000	135,000	112,000	117,090
Specie.....	8,885,000	8,172,000	11,963,000	9,107,920
Cash items.....	5,948,000	5,840,000	9,370,000	8,703,577
Notes of solvent banks.....	2,259,000	2,851,000	2,686,000	2,420,275
Notes of suspended banks,..	14,000	5,000	3,000	2,780
Bank balances.....	9,534,000	8,850,000	14,273,000	10,725,755
Total resources....	\$ 120,402,000	\$ 116,995,000	\$ 136,768,000	\$ 132,249,276

The returns exhibit a decrease of \$2,800,000 in specie since 1st August, 1847. But when compared with 1st November, 1846, there is an increase of \$1,000,000. The circulation has increased four millions, and the private deposits five millions, when compared with November, 1846. There is obviously a sufficient basis for safe banking operations: for while the banks hold nine millions of specie against their deposits and balances due the southern and western and other banks, they have furnished ample security to the state for the redemption of their circulation.

We learn that since the period when the present law was enacted, between 75 and 80 banks have sprung into existence under it, with aggregate

capital of about fifteen millions of dollars, and with the right to circulate notes to any amount which they may secure by a pledge of state stock. Of these, none wholly based upon stock of the state of New York, have failed, while several, of which the capital and the securities pledged to the comptroller for circulating notes, were composed partly of stocks and partly of bonds and mortgages have failed. As a matter of fact it may be stated, that although the legislature have not been prevailed upon to strike out from the law, the provision which permits securities, so inconvertible on the spur of the occasion as mortgages often prove to be—experience and the practical working of the laws have led to such an amendment, and no new banking association is attempted, or could command confidence, which does not confine its securities to stocks, for these can always be realised at or near their value.

In addition to the 75 free banks in the state of New York, there are some 84 incorporated banks, the security of whose circulating notes is guaranteed by what is known as the Safety Fund, composed of an assessment levied from time to time on the dividends of these banks. The circulating bank notes therefore, in the state of New York, are as safe and well secured a currency, and as nearly fulfil all the legitimate functions of a currency as any that ever was devised, and nothing but a long continued and very adverse state of the foreign exchanges, aided by the mischievous operation of the sub-treasury law, which, by withdrawing coin from the banks, alarms the public mind, can produce any disturbances of this currency.

We have also prepared with some care, a brief statement which follows the abstract of the free banking law—of the laws and usages in this state and in several others, respecting the amount of, and mode of estimating, damages on foreign bills of exchange returned under protest.

The free banking law of the state of New York was enacted in April, 1838. Several minor modifications in it have since been made, but none touching its principle—except that New York state stock only can now be pledged as a security for notes, to the exclusion of stock of the United States, or of other states,—all of which were allowed by the original law. Its main provisions are these—that any person or any number of persons, may associate to do the business of banking, on these occasions—that

1st, They shall deposit with the comptroller of the state, in stock of the state of New York, such an amount as they desire to receive of bank notes for issue, and the comptroller is required to provide, and himself retain the custody and control of, the plates and of the notes printed therefrom, in the similitude of bank notes—in blank—of the different denominations authorized to be issued by the incorporated banks of the state. "Such blank notes to be countersigned, numbered, and registered in proper books to be provided and kept for that purpose, in the office of said comptroller, under his direction, by such person or persons as the said comptroller shall appoint for that purpose, so that each denomination of such circulating notes shall be of the same similitude, and bear the uniform signature of such register, or one of such registers." And any person depositing stock as above is entitled to receive an equal amount of such circulating notes so registered and countersigned.

2d, The persons receiving such notes—president and cashier—after signing and making them payable on demand at their place of business within the state, may loan and circulate the same as money according to the ordinary course of banking business as regulated by the laws and usages of the state.

3d, If the person or association so issuing their notes shall fail or hesitate to redeem them in lawful money of the United States, if presented during the usual hours of business at the place where the notes are payable, the holder may protest them, and transmitting such protest to the comptroller, that officer shall give notice in writing to the makers of such notes to pay the same, and if for ten days after such notice they be still unpaid, the comptroller (unless satisfied there is a good and legal defence against such payment) shall give notice in the state paper that all circulating notes of such persons or association will be redeemed out of the trust funds in his hands for that purpose; and the comptroller is authorized to apply such trust funds to such payment, and to the costs

of protest. The maker of the notes to be liable to 14 per cent. damage in lieu of interest, from the time of refusing to pay the notes in lawful money until they are paid, together with such damage. Persons or associations thus circulating notes shall always have on hand at their places of business—in specie—not less than 12½ per cent. of the amount of notes in circulation as money. The comptroller shall sell at public auction the stock pledged for the redemption of notes, and out of the proceeds pay and cancel such notes as there has been default in paying by the parties issuing them; but “nothing in this act contained shall be considered as implying any pledge on the part of the state for the payment of said notes, beyond the proper application of the securities pledged to the comptroller for their redemption.” The stock of each person or association is to be held only for the redemption of the issues of such person or association, and if the comptroller or any of his officers shall countersign for any person notes, beyond the stock deposited by such person, the party offending shall be punished by a fine of \$5,000 or imprisonment for 5 years, or both.

4th, All notes circulated under this act shall be stamped on their face, “secured by the pledge of public stocks.”

5th, All persons or associations who establish offices of discount, deposit and circulation under this act, shall file a certificate with the clerk of their county, and a copy thereof with the secretary of state, setting forth the business names used in banking, the precise place where the business is to be carried on, the amount of capital to be employed, and the number of shares into which it is divided—the names and residences of shareholders, the number of shares held by each, and the period at which the association is to commence and terminate. No association shall have less than \$100,000 of capital.

6th, The above mentioned certificate or duly certified copies thereof, to be used as evidence in the courts for or against the association making it.

7th, Such persons or associations may carry on “the business of banking by discounting bills, notes, and other evidence of debt; by receiving deposits; by buying and selling gold and silver bullion, foreign coins, and bills of exchange;” and by “loaning money on real or personal security;” by choosing one of their number as president, and appointing a cashier, and other officers and agents as their business may require, and to remove at pleasure such officers and agents.

8th, Shares in such banking associations to be deemed personal property, transferable on the books of the association in such manner as may be agreed on, in the articles of association. No change in articles to impair right of creditors, and association not dissolved by death, &c. of shareholders.

9th, Associations may, by their articles, provide for an increase of their capital, or of the number of their associates.

10th, Shareholders not to be liable in their individual capacity, unless so stipulated in the articles of association.

11th, Upon application, verified by oath, of any parties having an interest of \$1000 in the association, the court of chancery may order an investigation by one of its masters, of the affairs of such association “for the purpose of ascertaining the safety of its investments and the prudence of its management,” and the results of such investigation, and the opinion thereon of the chancery, shall be published in such manner as the court shall direct.

12th, Associations under this act shall quarterly make a full statement to the comptroller, sworn to by the president and cashier, of the affairs of the association, in a form prescribed by the act; which statement, or an abstract thereof, the comptroller shall cause to be published in some newspaper in the county where the association does business, and in the State paper. For neglect to make these quarterly statements for one month beyond the periods named, or for any other violation of the provisions of this act, the association may be proceeded against and dissolved by the court of chancery.

13th, If any portion of the original capital is withdrawn whilst any debts remain unsatisfied, no dividends of profits shall be made until the deficit in the capital shall be made good, either by subscription of the shareholders or the accumulation of profits—and if any such dividends should be made, “it shall be the duty of the chancellor to close the affairs of the association and distribute its property and effects among its creditors and shareholders.”

14th, The president and cashier of every association under this act, to keep at all times a true and correct list of the names of the shareholders—to file a copy of such list in the county clerk’s office and another with the comptroller, in January and July of each year.

15th, The comptroller may give to parties pledging stock, power of attorney to receive the dividends on said stock to their own use, but such power to be revoked either upon the failure of the parties to redeem their circulating notes, or whenever, in the opinion of the comptroller, the principal of such stock shall become an insufficient

security; the comptroller may also, in his discretion, permit the stock so pledged to be changed for other not less valuable, or re-transfer to any party any portion of stock pledged upon the surrender of an equal amount of such circulating notes as the party had received against the stock; but the circulating notes always to be secured in full by stock.

16th, But instead of New York State stocks as a security for the whole of the circulating notes asked for, one half the amount may be secured by bonds and mortgages upon real estate, bearing at least 6 per cent. interest, to be transferred to the comptroller, who shall stamp the notes issued in such cases "Secured by pledge of public stocks and real estate."

17th, Such mortgages to be only upon "improved, unincumbered productive lands within the state, worth, independently of any buildings thereon, at least double the amount for which they shall be so mortgaged; the comptroller to prescribe regulations for ascertaining the title and value of such lands, and the time for paying such mortgages.

18th, The comptroller to have the same power and discretion about granting and revoking power of attorney to receive interest on mortgages, as in the case of dividends on stocks, and also as to changing said mortgages or re-transferring any portion of them on surrender of a part of the circulating notes, and also as to selling the same in case of default of payment of the notes.

BANK OF VIRGINIA.—In the general statement of the Bank of Virginia, on the 1st day of October, 1847, as compared with the 1st day of October, 1846, the late teller's defalcation at the Lynchburg branch is put down at \$53,797 92. To this statement is appended the following explanatory note:

"The board of directors of the branch at Lynchburg report, that there is reason to apprehend that the amount of the defalcation has not been fully ascertained—that the official bonds of the late teller and book-keeper, with other securities deemed good, and in possession of the bank, are sufficient to cover the ascertained defalcation, amounting, as stated above, to \$53,797 92."

We have heard, we believe from authentic sources, that it has been ascertained, (of course since the quarterly statement from the Lynchburg branch was prepared,) that the amount of the defalcation has swelled to upwards of \$80,000, and it is not certain that the full extent of it has yet been ascertained.—*Richmond Whig.*

BANK OF CHARLESTON.—In alluding to the failure of the old and highly respectable house of Reid, Irving & Co. of London, we perceive it stated in Wilmer and Smith's European Times of the 4th October, that parties in England, whom they named, had interfered to protect the bills drawn on Reid, Irving & Co. by certain banks in this country, but remarked that "some doubt had been thrown upon the alleged statement, that Messrs Glyn & Co. would interfere for the Bank of Charleston," expressing at the same time the hope, "that these drafts will be protected, and thereby avoid considerable inconveniences."

We learn from the Bank of Charleston, and are authorized by them so to state, that the total amount of drafts drawn by them upon Reid, Irving & Co. since the 1st of July to the present time, amounts to £1,334, 14s. 4d., and as the drafts were all at sight, and for sums from £1 to £100, with one or two exceptions, a portion of them have doubtlessly been paid, but how much the bank is unable to state, Whatever of this amount, however, that remained out after the stoppage of Reid, Irving & Co., would be protected by the Bank of Liverpool, (the regular correspondent of the Bank of Charleston,) who promptly interfered for the purpose, and has already paid and returned to the bank all the drafts presented prior to the 5th October.

The Bank of Charleston, as is well known, keep their general account with the Bank of Liverpool, in Liverpool, and their transactions with them are numerous and to large extent.

With Reid, Irving & Co. they have kept small special accounts, for the convenience of small remitters in Charleston to Ireland, and who, during the late famine, wanted checks direct upon London and at sight, and for this purpose it was rarely necessary to keep a balance in London of more than from £1,000 to £5,000. This balance, we understand, as shown by Reid, Irving & Co's account current on the 30th June last, was £2,894 17; from which is to be deducted an amount of sight checks then in transitu, but drawn prior to that date, and so much of the amount drawn since the 1st July as may appear to have been paid. This balance, what-

ever it may be, with three bills of exchange remitted for collection not long before their failure, and not yet matured, and amounting in the aggregate to £3,675, comprise the extent of the implication of the Bank of Charleston with Reid, Irving & Co. The bills remitted for collection, it is supposed, will be handed over, or the proceeds held by the assignee for account of the bank.—*Charleston Mercury*.

OHIO LIFE INSURANCE AND TRUST COMPANY.—The news received this afternoon, by the *Hibernia*, gives the intelligence, rather prominently, of the probable losses resulting to the Ohio Life Insurance and Trust Company, from the failure of A. A. Gower, Nephews & Co., of London.

I deem it due to those interested, to take this early opportunity of saying, that the dealings of this company with Messrs. Gowers have been exclusively for account and risk of another institution in the west, and that this company can sustain no loss in the premises, unless from the inability of the party interested, of which there is no apprehension.

WM. M. VERMILYE, Cashier
Of the Ohio Life & Trust Co., New York.

New York, October 3, 1847.

CITY BANK OF NEW ORLEANS.—*Editors of the Commercial Times:* Gentlemen—Perceiving by your paper of this day, that the *European Times* states that Messrs. Baring, Brothers & Co. of London, had made known their intention to protect any bills drawn on Messrs. Reid, Irving & Co. by the City Bank of N. Orleans, and inasmuch as that statement may, unless explained, convey to distant stockholders the impression that this bank is deeply implicated in the failure of the latter house, I deem it proper to make the following statement, and request that you will be so obliging as to give it a place in your paper.

Messrs. Reid, Irving & Co. were the agents of the City Bank, in London; their agency consisted in keeping the transfer books of the stock of the Bank held in England, and in paying to the stockholders there, the dividends. At the time of their failure they had £932 at the credit of the bank, intended to pay the 1st September dividend. This is the extent of the implication of the City Bank in that failure. The bank has drawn no bill on that house or any other in Europe during the last year, nor has it purchased any foreign exchange whatever.

It is true that Messrs. Baring, Brothers & Co. did make known their intention to protect any bills drawn by the City Bank on Messrs. Reid, Irving & Co. who were known to be the agents of the bank. Although the bank had drawn no such bills, the prompt and unsolicited offer of the Messrs. Barings, who were ignorant of the fact, is not the less appreciated by the board of directors of the City Bank.

Very respectfully, your obedient servant,

SAM'L J. PETERS, President.

New Orleans, 28th October, 1847.

NEW ORLEANS BILLS.—We have learned with unfeigned satisfaction that some two or three parties in New York have stepped forward to intervene in behalf of some bills of exchange, amounting, as is variously stated, from \$80,000 to \$120,000, running on Prime, Ward & Co., and drawn by an eminent and well known house in this city. About \$30,000 fell due on the 11th inst., and were taken up, as we are informed, for the honor of the drawers. We have thought it proper to state this publicly, as in times like the present the credit of the strongest houses is liable to be tainted by injurious reports. While on this subject we may likewise add, that thus far, neither our prominent bill drawers nor the banks have suffered by the return of any bills from Europe. As yet none have come back, and an intimate knowledge of the whole subject enables us to state, that only a few small amounts have been noted abroad for non-acceptances.—*N. O. Times, Oct. 1847.*

MESSRS. PRIME, WARD & Co.—*Supreme Court of New York, November, 1847.* Before Judges Hurlbut, McCoun and Mason.

At the opening of the court yesterday morning, the first business was the return of the sheriff to the writs of habeas corpus, commanding him to show cause for the detention of Messrs. Edward Prime, Samuel Ward and John Ward, who composed the firm of Prime, Ward & Co., and who had been arrested on a Stillwell warrant.

The sheriff's return stated that he held the gentlemen above named by virtue of five Stillwell warrants, sued out by the following parties:

- 1st. Jefferson County Bank, issued by judge Edmonds.
- 2d. Bank of Commerce, of New York city, issued by judge Edmonds.
- 3d. Manhattan Company of New York city, issued by judge Oakley.
- 4th. Phenix Bank, of New York city, issued by judge Oakley.
- 5th. Hugh Morgan, issued by judge Oakley.

Mr. Blunt said that the law required that eight days notice should be given to all the parties at whose suit Messrs. Prime, Ward & Co. were held, besides the Jefferson County Bank, of the time when the habeas corpus would be heard, unless they should waive the notice, and, therefore, an adjournment would be necessary. The court after examining the law adjourned the case pro forma until this day week, unless the various parties should agree to waive the notice, and then they could be heard any morning when there was no argument on.

The grounds on which Mr. Blunt, counsel for Messrs. Prime, Ward & Co. traverses the warrants, are,

1st. That the justices by whom they were issued, issued them without having acquired jurisdiction.

2d. That the affidavits on which the warrants were issued, are not sufficient in law to authorise them.

The following are the sections of the law under which Stillwell warrants can be granted.

1st. That the defendant is about to remove any of his property out of the jurisdiction of the court in which such suit is brought, with intent to defraud his creditors; or,

2d. That the defendant has property or rights in action, which he fraudulently conceals, or that he has rights in action, or some interest in any public or corporate stock, money, or evidences of debt, which he unjustly refuses to apply to the payment of any judgment or decree which shall have been rendered against him belonging to the complainant; or,

3d. That he has assigned, removed, or disposed of, or is about to dispose of any of his property, with the intent to defraud his creditors; or,

4th. That the defendant fraudulently contracted the debt or incurred the obligation respecting which this suit is brought.

The warrants in the present case have been, we understand, granted under that part of the second section which renders the debtor liable to arrest if he refuses to apply any rights in action, money, &c., which he may have in his possession to the payment of judgments. But there is no imputation of fraud against the defendants.

The firm of Prime, Ward & Co. were brought before judge Edmonds, New York, at the suit of Orville Hungerford, president of the Jefferson County Bank, on what is usually called "a Stillwell warrant." The firm of Prime, Ward & Co. owed the plaintiff \$70,000, used in speculations in flour, for which the latter had a judgment. Judge Edmonds having decided on Wednesday adversely to the defendants, a writ of habeas corpus was immediately applied for and granted by the Supreme Court, returnable on Friday to review the judge's decision. Upon opening the matter, it appeared that similar proceedings were instituted against the defendants by the Bank of Commerce, the Manhattan and Phenix Banks, and some others, and the rules of court requiring that these parties should have eight days notice of the proceedings in this cause, the court directed that further proceedings should be postponed to Friday, the 12th instant, and that, in the meantime, notice should be given to the attorneys of all parties in interest. The firm have also been brought before Judge Vanderpool, of the Superior Court.

The amount claimed by the Bank of Commerce is about \$40,000.

This warrant, or process of law, applies to debtors who are about to send or take their assets or property out of the country; and the circumstances under which Messrs. Prime, Ward & Co., have become liable to its action, are such as to excite general sympathy. The facts, as given in the street, are these: The crash in London so alarmed Prime, Ward & Co's English agents, that they refused acceptance of bills of exchange drawn upon them, in order to save themselves, if possible, from bankruptcy. In this they were successful; they took care of themselves, and all the assets in their hands were retained against bills not matured. Meantime, Prime, Ward & Co's bills were under protest for non-acceptance, to be returned by the next steamer, when some friends in London, solicitous for their credit, arranged with an

eminent firm to accept and pay all these bills with the understanding that full security should be deposited for their indemnification. Security was given, the bills were accepted and ere this, have been paid. Messrs. P. W. & Co. consider the debt thus incurred, a confidential one, which by the rules of honor, if not by our own insolvent laws, they are bound to pay. But the American creditors here step in and claim for their demands all the assets of the firm in this country, and to accomplish this is the object of the late arrests of the firm by the Stillwell warrant. If the laws of this country compel Messrs. Prime, Ward & Co. to disregard the debt incurred by their friends in London, then the American creditors obtain larger dividends, and America saves something from the millions lost by the insolvency of English houses. But if, on the contrary, our own insolvent laws admit the English claimants as preferred creditors, the "Stillwell warrant" is useless. The case is rendered more complicated by the fact that the firm's assets and property in England will be subject to the bankrupt laws of that country. The greatest interest is manifested in the result of this question, not only by the commercial community, but also by the legal profession. It will also attract considerable attention abroad, from the important bearing it will have upon our foreign commercial relations.

Decision.—Judge Edmonds gave a decision in this case, on the 23d November, viz. "The complainants are entitled to the remedy, which the statute gives them to enforce their right, and that is the warrant to commit."

NEW HAVEN BANK.—The bills of the New Haven Bank, both old and new emissions, are redeemed by Messrs. Carpenter & Vermilye, of Wall street, at the usual rates of Eastern money. The interruption in the redemption of them by the Suffolk Bank, Boston, was occasioned by the appearance of a number of spurious bills (from genuine plates,) which had been stolen from the printer, or in some other way got into existence without the knowledge of the bank.

THE BOWERY BANK.—We understand that the directors of the Bowery Bank have decided to increase the capital stock \$200,000. This bank is under such management as must make it one of the best banks in the city. It has adopted the plan of paying interest on deposits left for a certain length of time.

SEVENTH WARD BANK.—An unsuccessful attempt was made to rob the Seventh Ward Bank of New York, at the corner of Pearl street and Burling slip, on the night of Sunday, November 14th:—In the rear of the bank, is an alley running from Burling slip and extending to the rear of the store next to the 7th Ward Bank, occupied by Smith & Co. as an umbrella store, and at the back part of this alley are piled up a quantity of crates and bales of rags, so that a person getting behind them could not be observed from the street. It seems that the burglars passed through this alley to the rear of the store occupied by Smith & Co., and being hid by the crates, &c. referred to, succeeded in breaking open the iron shutter of Smith & Co's store, and were thus admitted into a small back room. This entrance must have been effected at an early hour on Saturday night. The rascals then went to work to remove the wall of the building of Smith & Co's store, which does not appear to have been a work of long duration as the wall was not very thick.

They were then met by the wall of the bank which is two feet thick and laid in roman cement, which it was thought would resist any attempt that burglars might make upon it, but it seems that the rascals succeeded in making their way through the wall, tearing down a space about five feet square, but they were then met by another impediment which seems they were prepared to meet and overcome. This impediment was the iron vault containing the money, and which was made of boiler iron about 3-8 of an inch thick. To break into the vault they first drilled a hole about half an inch in diameter, into which they fastened a bolt and then placed on this bolt a solid block of oak board 1½ inches thick to which they attached a bit, and then by turning this block around in the same manner as a fly wheel, the bit worked on the iron vault, making a circle of 18 inches in diameter, and in this way they succeeded in cutting through the vault, removing a circular piece 18 inches in diameter.

They were then met by two small iron chests which they could have removed with but little trouble, had they not been compelled to leave, they having become frightened just as the golden prize was within their reach.

MISCELLANEOUS.

HAMBURG.—The gambling house, that moral pestilence which annually slays its numerous deluded victims, has again been established here, and that for years to come. The archducal government has concluded a contract with Messrs. Blanc, Brothers, which fixes this den of iniquity among us till the 1st of April, 1871. For the purpose of making this hell as extensive as possible, these proprietors have 3,000 shares, at 500 florins each. It is their desire to form a company, and after deducting the sum of 30,000 florins for the reserve fund, 10,000 florins for improving the establishment, and 15,000 florins as the salary of the directors (these directors are the honorable contractors themselves,) to divide the surplus among the members.

COUNTERFEIT GOLD COIN.—The New York Tribune says, that Messrs. Beebe and Parshall, the extensive specie brokers of that city, have detected a most dangerous counterfeit of sovereigns. It bears the head of George IV and the date 1824. It is the full legal weight—123.3 grains. It has the proper color and texture, not only at the surface but in the interior as exhibited on cutting. It has the true diameter, and though there is some excess of thickness, it is scarcely such as to attract attention. Its mechanical execution is so perfect as to elude detection by an ordinary observer, even with the aid of a glass. The director of the mint at Philadelphia says, in relation to this counterfeit:

"There is, in fact, but one test short of actual assay, by which it can be distinguished from the genuine pieces, and it is the trial by specific gravity. A genuine sovereign would show a specific gravity varying from 17.50 to 17.90. The piece in question gives but 16.22.

"On assay it was found to be composed as follows: gold 803-thousandths, silver 122-thousandths, copper 75-thousandths. The value of the piece is \$4.26. The genuine sovereign yields very uniformly, 915½-thousandths of gold, and is worth from \$4.83 to \$4.86, according to weight. The profit to the maker or loss to the holder of the false coin, is consequently 57 or 60 cents per piece, or 13 to 14 per ct."

THE ROBBERY OF MESSRS. ROGERS, TOWGOOD & CO.—EXTRAORDINARY RECOVERY OF THE NOTES.—On Saturday considerable excitement prevailed throughout London, in consequence of a rumor which was generally circulated that the whole of the notes which had been stolen from Messrs. Rogers, Towgood and Co., had by the latter firm been paid into the Bank of England.

The robbery alluded to, it will be recollected, took place on the night of the 24th November, 1844. The notes of the Bank of England stolen amounted to £43,405, with £1,200 in gold and various bills of exchange. Three thousand pounds reward was offered for the detection of the robber, with the offer of a free pardon to any one of the guilty parties who would give such evidence as would procure the conviction of the others concerned. Since the robbery, Isaacs, and several others of the city detective force, have been actively engaged in endeavoring to trace the property and the perpetrators of the robbery, but without effect, for although some of the suspected parties, or (it may be said) the known participators have been long under *surveillance*, and have been closely watched, yet nothing occurred to warrant their apprehension.

The guilty parties, it would seem, have been waiting all this time, expecting that a greater reward would be offered, one of the parties actually telling one of the officers that he knew they were in it, and they could wait for three years, or until they could get £5,000. Ultimately, all the notes of which the numbers were known were returned, the thieves keeping the other notes and all the cash. How the whole has been delivered has not transpired, but to inquiries at the banking

house in Clement's lane, the answer was, that the notes had been returned and paid into the Bank of England. A great deal of mystery still envelopes the transaction.—*London Spectator*, Sept. 27th, 1847.

~~~~~

**U. S. TREASURY NOTES.**—United States treasury notes have fallen to par. Our city banks, we understand, will pay out these notes for specie; and for convenience, they will now be used by our merchants in payment of dues at the custom house. The effect of this will be to keep in active circulation the specie that would otherwise accumulate in the various sub-treasuries, and the banks no longer apprehending a specie drain, great relief must soon be experienced in the money market.  
*Philadelphia Bulletin.*

~~~~~

RESUMPTION IN MARYLAND.—The following is a synopsis of the law passed by the legislature of Maryland, just previous to adjournment, for the resumption of payment of the interest on the public debt. Up to this period, (December, 1847,) the receipts under the various heads, have largely exceeded the estimates made by the committee of ways and means; and no difficulty is anticipated in executing the law which authorises resumption by the state, in January next.—*Ed. B. M.*

Sec. 1. Directs the state treasurer to resume payment of the current interest on the public debt on the 1st of January, 1848.

Sec. 2. Authorises, and directs the commissioner of loans, after October 1, 1847, to issue six per cent. bonds, interest payable annually, upon application therefor, to the holders of coupons or certificates of interest. The interest on the main debt to be first paid, and if then, after defraying the ordinary expenses of the state there should not remain in the treasury funds adequate to pay the full amount of six per cent. interest on the bonds, then what does remain shall be appropriated pro rata, among said bonds, and certificates given for the balance due.

Sec. 3. Directs the commissioner of loans to keep a record of the bonds, their date and amount, and to whom issued, and to furnish a copy of the record to the governor and state treasurer on the 1st of December of each year, to be by them transmitted to the legislature.

Sec. 4. All taxes and state dues to be paid in current money.

Sec. 5. In case of temporary deficiency in the treasury, the treasurer is authorised to borrow on the hypothecation of the bank stock belonging to the state, the amount to supply such deficiency, to be repaid out of the first proceeds from revenue which may thereafter come into the treasury.

Sec. 6. Any surplus not required for the ordinary expenses of the state on the main debt, or interest bonds, or certificates given for unpaid interest of the latter, shall be applied first to the payment of such interest in arrear as may remain unfunded, and after such unfunded interest is entirely discharged, either to the purchase or redemption of the bonds issued for arrears of interest under the second section of the act.

Sec. 7. Repeals all former provisions inconsistent with this act.

The following notice was issued, November 9, 1847 :

Notice is hereby given, to the holders of the sterling bonds of the state of Maryland, residing in the United States, that the interest due in London, on the first day of January, 1848, on said bonds, will be paid now at the loan office, in the city of Baltimore, on the presentation of said coupons, at \$4 84 to the £stg. if the holders of the same wish to be paid here; otherwise the money to meet them will be remitted to London.

JOHN S. GITTINGS,
Commissioner of Loans for the State of Maryland.

Notes on the Money Market.

New York, November 25, 1847.

The month of November has exhibited various unfavorable results upon the money market. These appear in an increased demand for money, a higher rate of interest in the street, and advanced rates of sterling exchange.

A singular anomaly presents itself in the fact that while there is no considerable balance against this country, the rates of foreign exchange are higher than they have been for nearly three years past, and there are at this moment considerable sums in coin going forward to Europe.

The rates of foreign exchange are, under ordinary circumstances, a fair index to the condition of foreign trade: but they are not such at this time: the advanced rates being the consequence of the deranged state of the money market in London; our bill drawers having, generally, declined drawing while so much uncertainty exists as to parties abroad.

Many merchants who have occasion to make remittances to Great Britain and the Continent are suspicious of bills drawn against cotton and grain: while others have positive orders from their correspondents in Europe to ship specie only, without running any risk of the solvency either of bill drawers in the United States, or of parties abroad upon whom bills are drawn.

In the face of prosperity throughout our own country, and in the face of anticipated scarcity of grain in Great Britain, there have been about two millions of coin shipped to Europe since the first of October last: and further shipments will probably be continued until confidence is restored between our own merchants and the bankers, &c. of England. About \$662,000 were shipped per *Britannia* from Boston for Liverpool on the 19th November, and every sailing packet from this port has amounts ranging from \$50,000 to 150,000.

Sterling bills have advanced since 1st November from $9\frac{1}{2}$ to $10\frac{1}{2}$ per cent: the latter being the present rate for prime bills. The shipments of coin to Europe, added to the fall in government securities, have created a temporary pressure in the money market, uncalled for, we think, by existing circumstances. Good paper has been sold in Wall street, within the last ten days, at $1 @ 1\frac{1}{2}$ per cent. per month.

The bank returns of the state of New York, as made to the comptroller, on the 1st November, show a decrease of coin among all the banks, since August 1st, amounting to \$2,800,000. Balances have been, recently, large against the banks of Baltimore, and the latter have, for several days in succession, parted with \$30,000 to 50,000 per day for transmission to the Wall street banks.

Public attention has recently been much directed to the condition of the English money market. A cotemporary has said in relation to the present commercial affairs of England:

"Impartial inquirers cannot blind themselves to the fact that the banking system of England has had some agency in aggravating, if not producing, the late overaction and recoil which will render the present the most memorable period of her commercial history. That her system, if not administration, of banking is defective, is attested by the fact, that her statesmen have been engaged for the last fifty years in amending it."

We think that there has been too much importance attributed to the influence of the Bank of England in the present crisis and in former periods of difficulty. The returns of the bank, for many years, show but little variation in its circulation. It does not create a pressure, nor can it, except as one of many contributors, relieve such pressure. When persons are unfortunate, and pressed for money, they will readily attribute their losses and difficulties to other causes than their own imprudence. The banks are

charged with producing a pressure, which is actually brought about by causes entirely foreign or incidental, and then they are condemned because they will not enlarge their line of circulation and discounts beyond their own safety, to meet the demands of parties who have imprudently extended their own business.

The late crisis in the London money market is mainly attributable to two powerful causes, viz. a short crop of grain, and excessive overtrading. The first cause produced an export of eighteen millions of coin, thereby creating alarm among capitalists. The second cause, *overtrading* (in which we include all operations wherein money is concerned,) created among very numerous merchants a demand for twice or thrice as much accommodation as their *legitimate* business required.

Merchants and bankers who were under obligations for rail road calls amounting to five millions sterling per month: and under acceptance for millions against shipments of grain which had fallen from 70 to 30 shillings, could not be expected in such a tremendous fall of prices to sustain themselves. A corn merchant under acceptance for flour valued at one million of dollars, soon found his stock, (in some instances bought on speculation, and in others on consignment) reduced in value so as to create an actual loss of 33 or 50 per cent.

The cotton market is now undergoing almost a like revulsion. Estimating the present stock of cotton on hand in Europe and the United States at 600,000 bales, on which a fall of 3 or 4 cents per lb. has taken place within 90 days, there is a clear loss exhibited to the holders (either as planters, or merchants, or as brokers) of eight or ten millions of dollars. We may apply the term *overtrading* or whatsoever term we please, it amounts to nothing more among business men, than a loss from a fall in prices which many cannot sustain. We only desire that they will not charge the revulsion, or fall in prices, to the banks.

Treasury notes have fallen to half per cent. discount, and they are, consequently, parted with more freely by holders. They now form an active part of the currency, particularly at the custom house.

The government loan has fallen to par, which is equivalent, deducting interest, to about 97 @ 98. Large portions of this loan were taken, by second hands, at 103 to 107.

Of the new 6 per cent. loan, there has been issued (up to Nov. 1, 1847,) \$8,384,000

Of the 6 per cent. loan of 1846.....4,989,000

Of treasury notes, under act of January, 1847.....13,888,000

Of " " under act of 1846.....1,079,000

\$28,340,000

The loans, &c. of previous year amounting to.....16,782,000

Actual public debt of the U. S., November 1, 1847.....\$45,122,000

Here we have an actual new debt of \$28,000,000, and no doubt an accruing or contingent debt of as much more: all of which is withdrawn from the ordinary and legitimate channels of trade. And on top of the whole, we have a sub-treasury scheme, the effect of which is to keep the money market perpetually disturbed.

~~~~~  
FOREIGN EXCHANGES—NEW YORK, 1847.

| On         | January 1. | June 1.   | August 1. | Sept. 1.  | Nov. 24.    |
|------------|------------|-----------|-----------|-----------|-------------|
| London,    | 6 @ 6½     | 7 @ 7½    | 5½ @ 6¼   | 6¼ @ 7    | 9¼ @ 10¼    |
| Paris,     | 542 @ 540  | 532 @ 531 | 533 @ 532 | 531 @ 530 | 523½ @ 522½ |
| Hamburg,   | 34¼ @ 35¼  | 35½ @ 35¼ | 34¼ @ 35¼ | 35 @ 35½  | 35½ @ 36    |
| Bremen,    | 77½ @      | 78½ @     | 77½ @ 78  | 78¼ @ 78½ | 78¼ @ 79    |
| Amsterdam, | 39 @ 39¼   | 39¼ @ 39¼ | 39¼ @ 39¼ | 39¼ @ 39½ | 40 @ 40¼    |

THE  
BANKERS' MAGAZINE,  
AND  
State Financial Register.

VOL. II.

JANUARY, 1848.

NO. VII.

NATIONAL FINANCES.

Extracts from the Report of the Secretary of the Treasury, December, 1847.

It will be perceived that if the war is continued until the 1st of July next, and no additional revenue provided by congress, nor any sums received from military contributions in Mexico, there would be a deficit in the treasury, on that day of \$ 15,729,114 27. For the reason hereafter stated, under the operations of the constitutional treasury it will not be necessary hereafter to retain in the treasury, to meet the wants of the government, and afford a constant supply for all their enlarged operations to the mint and branch mints, a sum exceeding \$ 3,000,000.

Adding this to the deficit in the treasury on the 1st of July next, it makes the sum of \$ 18,729,114 27, to be supplied during that period; to meet which, if the expenditures authorized and estimated should take place prior to that date, a loan for that sum would be required, if no additional revenue was derived from any source whatever. It is believed, however, that if congress should adopt the following measures, which are recommended to their favorable consideration, additional revenue to the amount of \$ 4,500,000 per annum might be realized:—First, from a duty on tea and coffee of 25 per cent. *ad valorem*, \$ 3,000,000 per annum; from the reduction and graduation in the price of the public lands, \$ 1,000,000 per annum; and from the extension of the pre-emption privilege to every *bona fide* settler on our unsurveyed lands, whenever the Indian title may be extinguished, \$ 500,000 per annum. Should these measures be adopted by congress, the loan might be reduced to a sum not exceeding, at the most, \$ 17,000,000. In estimating the loan at \$ 17,000,000, allowance is made for the fact that these measures for additional revenue could not all go into effect so as to produce the full amount during the time intervening between the present period and the 1st of July next. After that date it is not doubted that they would produce the full amount of \$ 4,500,000 per annum. The president of the United States has, however, directed contributions to be levied in Mexico, in every form that may be sanctioned by the law of nations.

These contributions consist, first, in diminishing the estimated expenditures, by obtaining, as far as practicable, supplies for the army in Mexico ;

second, by duties upon imports as a military contribution ; third, by enforcing the Mexican duty upon exports ; fourth, by directing the seizure, and appropriating to the support of the war and the army, of all the internal revenues of Mexico, except transit duties, whether assessed by the general government of Mexico or by any department, city or town thereof. By the acts of September 2d, 1789, and the 10th of May, 1840, it is the duty of this department to report to congress estimates of the probable amount that will be derived from all sources combined, in order that no larger loan may be asked or effected than would be requisite after deducting the amount thus estimated.

The sum to be realised from these military contributions will depend upon future contingencies. If our armies are withdrawn from the capital and ports of Mexico, nothing would be received from such contributions. If they were withdrawn from the capital, retaining the ports, no safe transit being open for imports into the interior, and to the rich and populous portion of the country, including the mining region, a very small revenue would be derived from this source, as shown by past experience, probably not exceeding \$ 1,000,000 per annum. If, however, the ports at present occupied by our forces, be retained, and all the rest seized or blockaded, so as to prevent the carrying of imports into the interior through any other ports than those held by our forces—if the roads were then opened into the interior through the city of Mexico and the mining region, and the route of commerce across the isthmus rendered secure, it is my conviction that the revenue from all those sources above specified, ought not to be less, so far as the duty on exports and imports is concerned, than has heretofore been collected by the government of Mexico. I have not been able to obtain any reliable statement of duties realised in Mexico upon exports. If, however, it were fairly collected upon all the exports of specie from Mexico, it would probably not amount to less than \$ 1,000,000 per annum.

It is not known, however, that so large a sum as realised from this duty, was ever recorded on the custom house returns of Mexico. Under these circumstances, it is extremely difficult to estimate the amount of duties which could be derived from this source, but they ought not to fall below \$ 500,000 per annum. The receipts from duty on imports collected by Mexico have varied from six to twelve millions of dollars per annum, and I think it ought not to be less, with the ports and interior, and the roads in our possession, and rendered secure for exports and imports.

In view, however, of the uncertainty of the amount of the contributions at present and the delay of carrying them fully into effect, if the measures proposed for augmenting the revenue by duties upon tea and coffee, the reduction of the price of the public lands, and the extension of the pre-emption privilege should not be adopted by congress, I recommend that authority be given to negotiate a loan for the sum of \$ 18,500,000 upon the terms authorised by the act of 28th January last, should the war be continued until 1st July, 1849, an additional loan amounting to \$ 20,500,000 would be necessary if no additional revenue be granted by congress, and no contributions are levied in Mexico.

As it is believed, however, that a considerable sum must be derived from these contributions, no further loan beyond the amount of \$ 18,500,000 is asked at this period : and it is believed that this sum is all that will be required in all probability, until the meeting of congress in December, 1848. It is possible, however, that a further loan for a sum not exceeding \$6,000,000 may be required before that time. Should this be the case, there will be ample time to communicate the information to congress, and ask a further provision for that amount.

A duty of twenty-five per cent. *ad valorem*, on tea and coffee, is again respectfully recommended. By reference to the table hereto annexed, it appears that the aggregate value of our imports of tea and coffee is progressing, and that the impost suggested would probably yield an annual revenue of \$ 3,000,000, reducing the loan, aiding the credit and finances of the government, and, with our other resources, securing prompt payment to our gallant army and navy, who are vindicating the rights, sustaining the honor, and elevating the character of our country. The experience of the last year proves that no additional revenue, or none exceeding a few thousand dollars, could be obtained from any augmentation of duties upon the dutiable imports. No such augmentation is recommended, and scarcely any revenue could be derived from the few remaining articles on the free list.

It is a sound rule when contracting a public debt, to provide, at the time, such revenue as will be adequate for the prompt payment of the interest, and the gradual but certain extinguishment of the principal of the debt. So long as this rule is pursued, there is no danger of any alarming accumulation of public debt, nor any apprehension that the public credit will be impaired or embarrassed. To refuse the tax at this time, would be to accumulate a large debt with an augmenting amount of interest, and with no certain means provided for the liquidation of such engagements. The credit of nations is best maintained when, for all their obligations, adequate provision is made at the time; and there is danger that increasing debts, without any additional revenue, might expose our finances to great hazard.

Diminishing expenses being one of the best means of improving the finances, the charges of collecting the revenue from customs have been carefully examined, and every retrenchment made compatible with the public interest. The saving thus effected, notwithstanding the vast increase of business, will amount, it is believed, to nearly \$ 500,000 per annum; not by reducing wages, or reasonable compensation, but by dispensing with every officer or agent not absolutely required for the public service; by curtailing the expenses of the revenue marine; by introducing a more rigid and perfect system of accountability; by classifying the expenditures and arranging them in tables under distinct heads; and above all, by subjecting them to the same checks under the supervision of the accounting officers of the treasury, as apply to appropriations made by law, in regard to which, congress will, no doubt, be guided by that wise and enlightened economy, so important at this time to the maintenance of the public credit.

The constitutional treasury went into effect on the 1st of January last, and under this act, during the last eleven months, as appears by a table from the records of the treasury hereto annexed, there was received in specie for loans, customs, lands and miscellaneous collections, the sum of \$ 48,667,886 18 in specie, and the sum of \$ 48,226,516 31, during the same eleven months, disbursed in specie. In New York, (see table Y) during the month of August last, \$ 3,340,706 48 in specie was received by the collector of that port, and in the last eleven months, in specie, \$ 18,615,422 26. During the same month of August, there was deposited, (see table G G) the sum of \$ 5,795,720 92, with the assistant treasurer of that city, and transferred from or disbursed by that officer. The receipts and disbursements of the government in specie, during the last eleven months have amounted together to the sum of \$ 96,894,403 49, and not a dollar has been lost to the treasury, nor any injury inflicted upon any branch of commerce or business.

The constitutional treasury has been tried during a period of war, when it was necessary to negotiate very large loans, when our expenditures were being increased, and when transfers, unprecedented in amount, were requir-

ed to distant points for disbursement. During the last eleven months, the government has received, transferred and disbursed more specie than during the whole aggregate period of fifty-seven years preceding, since the adoption of the constitution. To render the system still more safe, useful and economical, to define more clearly the powers of the department, and especially to render more secure "the public money in the hands of disbursing agents," the amendments suggested in my last annual report, (including the establishment of a branch mint at New York,) and which received the sanction of the house of representatives during the last session, are again recommended to the favorable consideration of congress.

During the year ending 30th June, 1847, our imports of specie were \$24,121,289, (see table T,) most of which under former systems, must have gone into the banks, to have been made the basis of issues of their paper to the additional amount of fifty or sixty millions of dollars. Such an expansion during the last spring and summer, accompanied by still higher prices, and followed by a greater fall, and by bankruptcies in England, to an extent heretofore unknown, finding our banks and credit greatly expanded, and reacting upon this expansion, would have produced a revulsion here exceeding any that has heretofore occurred in the country. A general suspension of the banks would probably have resulted, depressing the wages of labor and prices of property and products, affecting injuriously the operations and credit even of the most solvent, and producing extensive bankruptcies.

From this revulsion we have been saved by the constitutional treasury, by which the specie imported, instead of being converted into bank issues, has been made to circulate directly, to a great extent, as a currency among the people, having been recoined here during the last eleven months by the new orders of this department under the act of the 9th February, 1793, and the zealous co-operation of the able and efficient head of the mint at Philadelphia, to the unprecedented extent of \$20,758,048 12, and there are thousands of our citizens now solvent and prosperous who have been saved from ruin by the wholesome operation of the constitutional treasury. The banks that so unwisely opposed the system, have been rescued probably from another suspension; their stockholders, depositors and note holders, from severe losses, and the country and government from the ruinous effects of a depreciated paper currency.

If the union of the government with the banks had continued, and their suspension and the depreciation of their paper occurred during the war, requiring large specie disbursements, which suspended banks could not furnish, consequences the most disastrous to the honor and the interests of the country must have ensued. The government is now disconnected from banks, and yet its stock and notes at par, although we have been constrained to contract heavy loans, and to keep larger armies in the field than at any former period. But during the last war, when the government was connected with banks, its six per cent. stock and treasury notes were depreciated twenty-five per cent. payable in bank paper twenty per cent. below par, thus amounting to a loss of forty-five cents in every dollar, upon the operations of the government.

In my first annual report to congress, on the 3d of December, 1845, in recommending the adoption of the constitutional treasury, the following observations were made:—"Nor will it be useful to establish a constitutional treasury, if it is to receive or disburse the paper of banks." "If paper, in whatever form, or from whatever source it may issue, should be introduced as a circulation by the constitutional treasury, it would, precisely to that extent, diminish its use as a means of circulating gold and silver."

During and before the commencement of the last session of congress,

it was thought by many that this measure could not operate successfully during the war, and that large sums could not be negotiated, if the payments were required in specie. The department, however, adhered to their commendations of its first report, believing that the government would be rendered stronger by the divorce, and that if the treasury should resort to banks to negotiate its loans or supply its revenue, that both, if the war continued, would be involved, as they were in the war of 1812, in one common ruin. During the months of June, July and August last, (per table N,) the sum of \$ 6,000,000 was transferred from the assistant treasurer of New York, for necessary disbursement at New Orleans and in Mexico.

Heretofore, the public money being deposited with the banks and loaned out to their customers, when such enormous transfers were made, a contraction of the banks, with ruinous losses, must have ensued; but the money of the government is now transferred from New York to New Orleans, and scarcely affects business or the money market, because the transactions of the government are disconnected from those of the banks. When the government formerly received and disbursed only the paper of banks, whenever a revulsion and numerous bankruptcies occurred in England, they universally reached upon our perilous paper system, so as to create a pressure in our money market, a large and sudden contraction of the paper currency, a calling in of heavy loans by the banks, and as a consequence many failures, and most frequent suspensions of specie payments. Now, for the first time in our history, although failures in England of the most unprecedented magnitude have occurred, including banks and bankers, yet our banks and credit are sound and stable, and the business of the country is still prosperous and progressive.

Nothing is more injurious to all classes, but especially to our manufacturers, than the expansions, contractions, and fluctuations of the bank paper system, vibrating with every considerable change of the public monies held by them as depositories. This perilous and seductive bank paper system opens temporarily, and beyond the wants of the country, a market here for foreign imports, not in exchange for exports, but for credit, the redemption of which drains the country of its specie, contracts the paper currency, forces, at a sacrifice, the sale of domestic fabrics, and depresses the industry of the whole country. Domestic manufacturers require for their permanent and successful operation the basis of specie, checking vibrations and inflations of the paper system, confining our imports to the wants of the country, and preventing the temporary purchase of foreign goods for credit and not for exports, which always results in disturbance of the money market, and in injury to the country.

If our manufacturers desire great advantages from the home market, it must be abundantly and permanently supplied with a large specie circulation, which alone can sustain that market for a number of years, and prevent those calamities which must follow an inflated paper currency. A home market for our manufactures, when based upon specie and low duties, is solid, permanent and augmenting; but when founded upon paper credits, it is inflated one year, only to be depressed the next or some succeeding year; thus depriving the manufacturer of any well assured and permanent domestic market. The bank deposit year, 1836, when we were importing grain, contrasted with 1847, the year of divorce of the government from banks, exhibits the delusive inflation of the one, with its succeeding disasters, and the solid prosperity of the other, resisting thus far, to a great extent, the revulsion in England, and proving the good effects of the union of low duties and the specie-receiving and specie circulating constitutional treasury.

I renew my former recommendation for the establishment of a branch of the mint of the United States at the city of New York. During the last eleven months, commencing on the 1st of January last, the amount of coin actually paid into the assistant treasurer at that city, as per table H H, was \$29,904,744 19, nearly all of which was in foreign coin, a large portion of which, as far as practicable, was transferred and recoinced into our own coin at the mint at Philadelphia. The whole of that foreign coin, however, ought to have been at once recoinced at the city where it was received; and in addition, the large amount of coin and bullion which is constantly arriving there, and does not find its way into the office of the assistant treasurer, but as foreign coin, is deposited with the banks and never becomes a circulation to any great extent among the community, all which would also be at once converted into American coin, without loss or delay, if a branch of the mint were located at the great emporium of the commerce of the Union.

Under the salutary provisions of the constitutional treasury law, the experience of this year has proved that a sum not exceeding \$3,000,000 is all that need be retained in the treasury as a surplus to meet the wants of the government, or to supply the mint and branch mints an abundant amount for coinage, thus saving in this way the interest on \$1,000,000 to our country. The treasurer at the mint in Philadelphia and the branch mint at New Orleans, are also assistant treasurers, to and from whom transfers of specie (nearly all of which is received in foreign coin) can be made under the provisions of the constitutional treasury.

Under the act of 9th of February, 1793, providing for the re-coinage of foreign coin at the mint, instructions were issued by me to carry that act fully into effect.

Table S, gives the coinage each month and year, from the 1st of January to the 30th of November.

Most of this coinage has been by converting foreign gold coins, which will not circulate among our people, into American gold coin, which is now going into much more general circulation; and during the ensuing year it is expected that the coinage of specie from the silver that must be brought in from Mexico in exchange for our imports there, as also for the new issue of treasury notes now asked for from congress, as constituting a part of the loan recommended, will, it is believed, greatly augment the coinage of silver during the ensuing year.

Under the export duty upon specie, now existing in Mexico, it is believed that when the new treasury notes now asked for shall be issued, they may be sold to a considerable extent on account of the government for specie, at a premium, in Mexico; and as the government funds will not be subject to the export duty, the specie may be brought into the country by this department in exchange for these notes, and recoinced at the mint in New Orleans into American coin.

It has been seen that the amount of foreign coin or bullion coined this year at one mint, and branch mints, under the new orders of this department, estimating December the same as November, would be \$23,844,001 92, at which rate we would soon supply our own people with our own coin, and in time, also, with our augmenting commerce, Americanise, to a great extent, the coin of the world, and thus introduce our simple and beautiful decimal currency, gradually, throughout all nations, substituting it for the complex system of pounds, shillings and pence, or of doubloons, ducats and rupees, which retard business, and complicate accounts.

Heretofore the world has supplied us with foreign coin, which will not circulate among our people, because of its extreme complexity, but now

our own coin is flowing into the channels of our own circulation, and must soon begin to diffuse itself into other nations, for their benefit as well as our own. The three things which most concern the progress or the wealth of the world, are free trade, and uniformity in coinage and in weights, and measures. Coins, as well as weights and measures, for the benefit of all nations, ought to be uniform throughout the world; and if our decimal system of coinage should be more simple and perfect than that of any other nation, it ought to be, and ultimately will be, adopted, and lead to the introduction of the decimal system of weights and measures, as far as practicable, so that ultimately the coin, and the weights and measures, may be simple and uniform throughout the world.

Table T shows the imports and exports of specie for the fiscal years ending 30th June, 1846, and 30th June, 1847, being for 1846, an import of \$3,777,732, and the export \$3,481,417, leaving the gain of specie that year, \$296,315; and in 1847, the specie imported was \$24,121,289, and the export \$1,845,119—leaving the specie gained in 1847, \$22,276,170.

The law conferred the power, to have changed all these notes for specie, without advertisement, with any one at or above par, but in hopes of obtaining a premium for the loan in whole or in part, bids were invited for the amount of \$18,000,000. Annexed is a copy of the advertisement of the loan, marked 5, dated 9th of February, 1847, having been issued during the session of congress, and extensively published throughout the union, from the 9th of February to the 16th of April, 1847. The remainder of the loan beyond the amount advertised, was exchanged at par, partly for money to be deposited without charge at New Orleans, where the wants of the government were great, and the rest paid out chiefly in treasury notes at par, to the Smithsonian Institution; also to other creditors of the government; the notes at that time being generally at par, and the wants of the government requiring the use of the money before it could be obtained upon the advertisement.

On the 22d of October, 1846, as per printed notice hereto annexed, marked 4, the department advertised for the exchange of \$3,000,000 of treasury notes for specie at par, for deposits of specie with the assistant treasurers. For a considerable time but very few of such deposits were made or treasury notes thus taken, and from this long delay and continued reluctance upon the part of the community in taking these treasury notes at par, although at any time after the 28th of January last, they were convertible into the twenty years six per cent. stock, at par; many of the notes heretofore offered at par, not having been taken at the date of my advertisement of the 9th of February last, serious doubts were entertained whether the whole of the loan could be taken at or above par.

It had been usual heretofore with my predecessors, in advertising for loans, to omit no sum to any individual under \$25,000; but with a view to insure the largest possible subscription, and at the best rates, and to diffuse the loan as far as practicable throughout all classes of the community, bids were authorized to be received by the advertisement as low as the lowest denomination of treasury notes permitted by law, namely: fifty dollars. It was the duty of the department to accept nothing but specie, being the first loan ever negotiated in specie from the foundation of the government down to that date, and the first loan, except that of last fall, ever thus negotiated at or above par during a period of war. The magnitude of the loan, the fluctuations below par of the previous stock and notes, the untried, and to many, alarming restraining operation of the constitutional treasury, the heavy expenditures of the war, and the requirement of all the payments from time to time in specie, were deemed by many as insuperable obstacles



to the negotiation of the whole of the loan at or above par. But under the salutary provisions of the constitutional treasury, the credit of the government was in truth enhanced by receiving and disbursing nothing but coin; thus placing all its transactions upon a basis more sound, and entitled to higher credit, than when it held no specie, had no money in its own possession, and none even in the banks to pay its creditors but bank paper. Then it was dependent upon the credit of the banks, and was subjected to every fluctuation which affected their credit; now it stands upon the basis of specie, so as to be above all suspicion of discredit, whilst by its demand for coin for revenue payments, it sustains, not only its own credit, but renders more safe the credit and currency and business of the whole union.

By the act of congress, of the 3d March, 1845, this department was authorized to select a plan for the erection of a custom house in the city of New Orleans. By the act of 3d March, 1847, the sum of \$100,000 was appropriated towards the erection of the custom house on the custom house square, or so much thereof as could be procured by the department. After some delay, I was enabled to obtain a cession from the 1st municipality of New Orleans of the whole of this square: which munificent donation to the government has been estimated as of nearly the value of \$500,000. Commissioners have been appointed to aid in carrying the law into effect, and instructions issued to them, a copy of which is hereto annexed. Much time was occupied, and great attention bestowed, in examining the various plans and estimates submitted. As a custom house is designed exclusively for the transaction of business, everything calculated merely for ornament or display was rejected, and that plan selected which united good taste with the greatest economy, and the largest and best accommodations.

In a building of such magnitude and importance, it appeared to me necessary before expending any part of the appropriation, to procure the best talents that could be obtained to direct the construction of the work, and I have, it is believed, succeeded in securing the services of a gentleman of high scientific attainments and great practical experience. Upon my application to the war department, Major William Turnbull, of the topographical corps, will, it is hoped, be detailed for this work. The great aqueduct across the Potomac at Georgetown, admitted, both in Europe and in this country, to be one of the greatest works of the age, was constructed under the direction of this gentleman; and wherever he is known the greatest confidence is reposed in his talents and worth, and especially in his judicious and economical expenditure of the public money.

Further estimates and specifications will be submitted to congress at the earliest practicable period. The thanks of this department have been already tendered to the 1st municipality of New Orleans, for the munificent donation of the entire custom house square, made by them to the government. In other cities where custom houses have been erected, large sums were paid by the government merely for the ground; but here the best site in New Orleans, covering an entire square, has been bestowed as a gift, and this fact, together with the great and growing commerce of New Orleans, the increased and increasing revenues collected there—being the depot of the greatest and richest valley of the globe, and destined to surpass in business, wealth and population nearly every other city—render it just and proper that a building commensurate with the future growth and progress of New Orleans should be erected, and that it should be placed upon an equal footing with other cities where congress have paid both for the ground and the building; and it will be the anxious desire of this department, with the sanction of congress, to make the building a model of usefulness and economy. The action of the department, as to the erection of other custom

houses authorized by congress, will be made the subject of a special report at an early period of the session.

By the warehousing act, this department is required to make such regulations from time to time, as may be necessary to give full effect to the law, and to report to each succeeding session of congress such regulations. Those heretofore made under the large and continuous discretionary powers granted by this act to the department, were reported to congress at the last session. After examining the practical working of the system under these regulations, it seemed to me susceptible of improvement, and as it was entirely new here, I proceeded to collect information in regard to it in those countries where it had been for so many years in full and successful operation. Accordingly, Messrs. C. C. Walden and D. P. Barhydt, of the New York custom house, were sent by me to Europe last August, under specific and detailed instructions (a copy of which is annexed) to investigate the operation of the system in Great Britain, and elsewhere in Europe, and report to me the results.

The warehousing system, as it exists in Great Britain, as also in France and Belgium, was investigated by them, the fullest information being kindly afforded to them by the gentlemen connected with those establishments abroad, and especially in Great Britain. All the details were obtained by them, and communicated in an able and voluminous report to me, with an appendix covering several volumes of general as well as specific and detailed information, together with all the forms for the transaction of business, and the most full and minute information as to the mode of conducting the same. The system was found to be the most perfect in Great Britain, where it had long been in successful operation, and cherished by all parties, whether for or against protection. It is one of the principal means by which Great Britain has built up her commerce and navigation, extended the market for her fabrics, and placed under her control, for so many years, the exchanges and trade of the world. She has thus made London the great depot, where not only all her own fabrics could be purchased, but also assorted cargoes of the products and fabrics of all other nations.

According to the report of these gentlemen, the value of the goods of all kinds in warehouse in Great Britain, is \$387,200,000. The buildings, docks and structures erected, under free competition, almost exclusively by private enterprise, for the convenient storage of these goods in London, is estimated to have cost \$40,000,000. Great as was the importance attached by this department to the introduction here of the warehousing system, and earnest as was the recommendation for it in my first annual report, the results as ascertained in England, surpass my highest expectations. There it is regarded by their intelligent manufacturers, as among the most important means of bringing customers to their own doors, to purchase assorted cargoes, including their own manufactures. It is thus Great Britain seeks for the products of all her industry the markets of the world, and this is what we must do, if we would compete with her successfully for those markets for the products of all our industry, including manufactures. The report of Messrs. Walden and Barhydt has been very recently made to me, and is herewith communicated to congress, retaining for reference the voluminous appendixes in the department, subject, however, at all times, to the call of congress. At the earliest practicable period, I will make such further regulations as are authorized by the powers delegated to me, by the 5th section of the warehousing act, and will report the same to congress.

The American manufacturer, the farmer and planter, in enlarged markets at home and abroad, and in the sale of their products and fabrics to complete assortments, will derive the greatest advantage from the system, whilst

the merchant and those engaged in navigation will find an increased business and augmenting profits; property in our warehousing cities will be rendered more valuable, and every branch of industry stimulated and improved. A commercial nation without warehousing accommodations is like a merchant without a storehouse, and no nation can enter upon the field of a fair and open competition with other countries without such a system.

The new tariff has now been in operation more than twelve months, and has greatly augmented the revenue and prosperity of the country. The net revenue from duties during the twelve months, ending 1st December, 1847, under the new tariff, is \$ 31,500,000, being 8,528,596 more than was received during the twelve months preceding, under the tariff of 1842. The net revenue of the first quarter of the first fiscal year, under the new tariff, was \$ 11,106,257 41, whilst in the same quarter of the preceding year, under the tariff of 1842, the net revenue was only \$ 6,153,826 58. If the revenue for the three remaining quarters should equal in the average the first, then the net revenue from duties during the first fiscal year of the new tariff would be \$ 44,425,029 64.

If, however, the comparison is founded on all the quarterly returns for 48 years, (as far back as given quarterly in the treasury records,) and the same proportion for the several quarters applied to the first quarter of this year, it would make its net revenue, (per table C,) \$ 40,388,045. Although the net revenue from duties already received, being \$ 15,506,257 41 during the five months of this fiscal year, would seem to indicate its probable amount as not less than \$ 35,000,000, yet it is estimated at \$ 31,000,000 for the fiscal year ending 30th June, 1848, and \$ 32,000,000 for the succeeding year, in the view of the possible effects of the revulsion in Great Britain. Although our prosperity is ascribed by some to the famine there, as though Providence had made the advance of one country to depend upon the calamities of another, yet it is certain that our trade with Great Britain must be greater in a series of years, when prosperity would enable her to buy more from us, (and especially cotton,) and at better prices, and sell us more in exchange, accompanied by an augmentation of revenue.

In my report of the 22d July, 1846, it was shown that the annual value of our products exceeds three thousand millions of dollars. Our population doubles once in every twenty-three years, and our products quadruple in the same period, that being the time within which a sum compounding itself quarter-yearly, at six per cent. interest, will be quadrupled, as is sustained here by the actual results. Of this three thousand millions of dollars only \$ 150,000,000 was exported abroad, leaving \$ 2,850,000,000 used at home, of which at least \$ 500,000,000 is annually interchanged between the several states of the union. Under this system, the larger the area and the greater the variety of climate, soil, and products, the more extensive is the commerce which must exist between the states, and the greater the value of the union. We see, then, here, under the system of free trade among the states of the union, an interchange of products of the annual value of at least \$ 500,000,000 among our twenty-one millions of people, whilst our total exchanges, including imports and exports, with all the world besides, containing a population of a thousand millions, are still about \$ 300,000,000.

Although, under the new tariff, these exchanges increased nearly \$ 100,000,000 the last year, yet those between our states, consisting of a population of twenty-one millions, being of the yearly value of \$ 500,000,000 exchanged, makes such exchange in our own country equal to \$ 23 81 per individual, annually, of our own products, and reduces the exchange of our own and foreign products, our imports and exports with all the rest of the world to the annual value of thirty cents to each individual. That is, one

person of the union receives and exchanges annually of our own products as much as seventy-nine persons of other countries. Were this exchange with foreign countries extended to ninety cents each, it would bring our imports and exports up to \$ 900,000,000 per annum, and raise our annual revenue from duties, to a sum exceeding \$ 90,000,000.

An addition of thirty cents each to the consumption of our products exchanged from state to state by our own people, would furnish an increased market of the value only of \$ 6,300,000; whereas an increase of thirty cents each by a system of liberal exchanges with the people of the world, would give us a market for an additional value of \$ 300,000,000 per annum of exports. Such an addition cannot occur by refusing to receive in exchange the products of other nations, and demanding the \$ 300,000,000 per annum in specie, which could never be supplied. But by receiving foreign products at low duties, in exchange for our exports, such an augmentation might take place. The only obstacles to such exchanges are the duties and the freights. But the freight from New Orleans to Boston differs but little from that between Liverpool and Boston, and the freight from many points in the interior is greater than from England to the United States. Thus the average freight from the Ohio river to Baltimore is greater than those from the same place to Liverpool; yet, the annual exchange of products between the Ohio and Baltimore, exceeds by many millions that between Baltimore and Liverpool.

The Canadas and adjacent provinces upon our borders, with a population less than two millions, exchange imports and exports with us, less in amount than the state of Connecticut, with a population of 300,000, showing that if these provinces were united to us by free trade, our annual exchanges with them would rise to \$ 40,000,000. It is not the freight that creates the chief obstacle to interchanges of products between ourselves and foreign countries, but the duties. When we reflect, also, that exchange of products depends chiefly upon diversity, which is greater between our own country and the rest of the world, than between the different states of the union, under a system of reciprocal free trade with all the world, the augmentation arising from greater diversity of products, would equal the diminution caused by freight. Thus, the southern states exchange no cotton with each other, nor the western states flour, nor the manufacturing states like fabrics. Diversity of products is essential to exchanges, and if England and America were united by absolute free trade, the reciprocal exchanges between them would soon far exceed the whole foreign commerce of both; and with reciprocal free trade with all nations, our own country with its pre-eminent advantages, would measure its annual trade in imports and exports by thousands of millions of dollars.

In my last annual report and that which preceded, it was proved that the home market was wholly inadequate for our vast agricultural products. We have long had for grain and provisions, the undivided markets of our own people; but these are not sufficient, and in a single year we have, with abundance of food retained at home, supplied the world with an addition, at once, during the last year, as shown by table A A of \$ 41,332,252 in value, of breadstuffs and provisions; bringing the value exported that year up to \$ 65,906,237. Our manufacturers could not have consumed this surplus, nor their non-consuming machines, which are substituted in their workshops for the labor of man. If the energy of our own people can add \$ 41,332,282 to the export and supply of our breadstuffs and provisions in a single year, what could they not add to such products, if they enjoyed free of duty the markets of the world? By table B B, heretofore annexed, it appears that the augmentation of our domestic exports, exclusive of specie, last year,

compared with the preceding, was \$ 48,856,802, or upwards of 48 per cent. and at the same rate per cent. per annum of augmentation, would amount in 1849, per table C C, to \$ 329,959,993, or much greater than the domestic export from state to state. The future per centage of increase may not be so great, but our capacity for such increased production is proved to exist, and that we could furnish these exports far above the domestic demand, if they could be exchanged, free of duty, in the ports of all nations.

The energetic American freeman can and does perform far more effective labor in a day, than what is called by the restrictionists, the pauper labor of Europe; and, therefore, the employer here can pay more for a day's toil to our workman. Measured by the day, the wages here may be higher than in Europe, but measured by the work done on that day, there is but little difference. And when all our capitalists, (as some already have,) shall find it to be their true interest, in addition to the wages paid to the American workmen, to allow him voluntarily, because it augments the profits of capital, a fair interest in those profits, and elevate him to the rank of a partner in the concern, we may then defy all competition. This is the same principle illustrated by uniform experience, proving that he who rents his farm, builds his house, sails his ship, or conducts any other business, upon shares, realises the largest return, and that he who works by the job, produces more in the same time than the laborer whose wages are paid by the day.

The skill, energy, and industry, the interest and pride in success, the vigilance and perseverance that will be manifested by our intelligent workmen, under such a system, will far more than refund to capital such reasonable participation in its profits, and enable such American establishments to supply all the nations of the world. The introduction of this system will be voluntary, because it is most just and beneficial to all parties. It is the participation of all our people in the government that is one great cause of our prosperity, and the participation of our workmen in the profits of our industrial establishments would exhibit similar results. Our whale and other fisheries present strong evidence of the success attending American industry, when our intelligent freemen, the working men of the concern, stimulated by a just participation in the profits, have driven from the most distant seas the whale ships of most other nations, and nearly monopolized this pursuit.

The intelligent working men of our country are far better prepared for the adoption of this truly republican system than those of any other nation, and this elevation of the toiling millions of America to a just participation in the profits of that capital which is fruitful only by their industry, will yet enjoy as great a triumph as that unfettered trade and untaxed and unrestricted labor with which it ought to be, and certainly yet will be, proudly associated. Under this system the laboring men, whilst they received the full wages heretofore allowed them, would also participate to a reasonable extent in the profits, as an addition to their wages and as a most powerful and certain stimulus to render their labor more productive, and thus increase for the benefit of all concerned, the capitalists and the working men, the profits of the establishment.

What is called the pauper labor of Europe, is already inferior to our labor, but would be rendered still more powerless to compete with us when labor here participated with capital in the profits. When we reflect that the working freemen of the union must constitute the great mass of the people whose votes will control the government and direct the policy of the nation, the superior comfort, education, intelligence and information necessarily resulting to them from this improvement of our social system, is important to the successful progress and perpetuity of our free institutions, and must be grate-

ful to every republican, patriot, and lover of mankind. Whilst all have derived great benefits from the new tariff, it is labor that has realised the largest reward. It was contended by the advocates of protection, that it enhanced the wages of labor, and that low duties would reduce wages here to the rate allowed for what they call the pauper labor of Europe.

On the contrary, the opponents of high tariffs insisted that labor left to seek freely the markets of the world, would find for its products the best prices, and as a consequence, the highest reward for the labor by which they were produced. The duties have been reduced, and yet wages have advanced, and are higher now than under any protective tariff. There are many more workmen concerned in other pursuits than in manufactures, and with much less machinery as a substitute for labor, and by depressing agriculture, commerce and navigation, by restricting their business and the markets for their products, the wages of those engaged in such pursuits are reduced, many workmen also lose employment and competing for work in manufactures, the wages of all are diminished.

It is not only the reduced duties that have produced these happy results, but the mode of reduction, the substitution of the *ad valorem* for unequal and oppressive minimum and specific duties. The higher duty was thus always imposed, by the very nature of the duty, upon the article of the lowest value consumed by the poor, and the lower duty assessed upon the article of highest value used by the more wealthy, often operating as a duty of 10, 20, or 30 per cent. upon the high-priced goods, and of 100 or 200 per cent. *ad valorem* upon articles of lower price. Nearly the entire burden of the tariff was thus thrown upon labor, by whose wages chiefly the cheaper articles were purchased, whilst capital, with whose profits the more costly goods were bought, was almost exempt from the tax.

It never would have been tolerated to have imposed a duty of 10, 20, or 30 per cent. by name upon costly articles, and of 100 or 200 per cent. upon cheaper fabrics, where the *ad valorem* rates would have exhibited the injustice and inequality of the duty; but it was accomplished by minimum and specific duties, which assessed a higher duty in proportion to value upon the cheaper articles, and the lower duty upon similar articles more costly in price; thus imposing the higher duty upon labor and the wages of labor, as effectually as though the tax gatherer had collected from the workingman a third or fourth of his wages every day, whilst capital was comparatively exempt from taxation. Such is the system which has been overthrown by the substitution of the reduced *ad valorem*, operating the reverse of the former system, in favor of the poor and the wages of labor, as far as any tariff can so operate, and, as we see, even with lower duties collecting a larger revenue.

A tax in proportion to the value of imports or property must always be more productive than one which is the reverse of that rule, or which disregards it altogether; thus, if we impose a tax of ten dollars each upon all houses, it must produce less revenue than the *ad valorem* tax in proportion to value, because the former would fall most heavily on the poor, who were the least able to bear it, and more lightly upon the wealthy, who had greater means of payment, and thereby revenue would be diminished. Thus, if the tax of ten dollars were imposed alike on the cabin and the costly dwelling, it would bring less revenue than if the same rate *ad valorem*, beginning with the lowest, at the rate of ten dollars, were assessed in proportion to value upon all houses.

Indeed, the tax upon the cabin might be reduced to a dollar, or, say one per cent. and applied *ad valorem* to all dwellings, and it would yield a larger revenue than the anti-*ad valorem* specific tax of ten dollars upon all houses.

irrespective of their value, which is no more unjust or unequal than the same minimum or special duties upon hats, caps, boots, shoes, &c., and like articles of import, without regard to their value. The *ad valorem* duty, incorporates itself inseparately with the exact value, the form which of all others must yield the largest revenue. Perhaps the most perfect model of an *ad valorem* tariff was that of New Mexico, by which a duty of \$ 500 was imposed on each wagon load of goods introduced there, wholly irrespective of their value.

The great argument for protection is, that by diminishing imports the balance of trade is turned in our favor, bringing specie into the country. The anti-protectionists contend that commerce is chiefly but an exchange of imports for exports, and that in diminishing imports we necessarily decrease exports in quantity or price, or both; that, if we purchase more imports we will sell more exports in exchange, and at a better price; and that, if commerce is profitable, we should show a large balance of trade in our favor, and, usually, larger imports of specie, and that the profits of commerce, in the increased exchange of our own for foreign products augment the wealth of the nation. The former protective tariffs were enacted in 1816, 1824, 1838 and 1842. The compromise act intervened, from March, 1833, until after the 30th of August, 1842, and the revenue tariff of 1846 went into operation last year.

Let us now look at the effects of high and low tariffs upon the gain of specie during these periods, from 1821, being the earliest date to which the records of the treasury go back on this subject. From the beginning of 1821 until the commencement of 1833, and from the 30th September, 1842, until the 1st July, 1846, our excess of the imports of specie over the export was \$ 12,660,312, being an average annual gain of \$ 791,216 in specie, during these sixteen years of high tariffs, whilst the excess of specie during the eleven years of the compromise act of 1833, and low tariff of 1846, was 68,507,630, and the average annual gain of specie was \$ 6,227,967. Omitting the tariffs of 1842 and 1846, and comparing the ten years of comparatively low duties, from 1833 to 1842, with the twelve years under protective tariffs, from 1831 to 1842, we find under the latter an actual loss of specie to the country, by the excess of the exports of specie over the imports, of \$ 3,851,652, as the result of protection.

And again, during the succeeding ten years of comparatively low duties, of \$46,294,090, or at the rate of \$4,629,409 per annum; and in the single year, under the new tariff, a gain of \$22,213,550; thus exhibiting a uniform gain of specie in the years of low as compared with high duties. The protective theory, founded upon this assumed balance of trade and gain of specie under high tariffs, is disproved by the results; and it is shown by the experience here of more than a fourth of a century, even as to specie, that it accumulates most rapidly by the gains of trade, under a liberal commercial policy. Let us now see, under the same cycles of free trade and protection, whether it is true, as contended by our opponents, that our domestic exports are not diminished by the restrictive system. \* \* \*

Thus we see an immense increase under low as compared with high duties of the coastwise tonnage, proving that the paralysis of foreign commerce, resulting from the restrictive system, affects injuriously the home market and the trade between the states, and furnishing a demonstrative proof that whether we look at home or abroad, we progress more rapidly under a liberal commercial policy. As the foreign tonnage rose under low duties, (as the tables prove) so did the coastwise; and as the foreign tonnage declined, so also did the coastwise tonnage; and during the high duties from 1816 to 1832, whilst the foreign tonnage actually decreased at the rate of

88-100 per cent. per annum, that of the coastwise tonnage only increased at the rate of 1 50-100 per cent. per annum. Yet, during that period, the increase of the coastwise trade ought to have been immense, including as it did the era of the introduction of steam to a vast extent upon the rivers of the west, as also upon the lakes of the northwest, and the opening of the great canal of New York.

It is said the famine in Ireland was the sole cause of our late large export of breadstuffs and provisions. Now, from 1790, these values are not given so as to be stated in amounts, but the quantities are, and these prove that, even omitting the last year altogether, and comparing the low duty periods from 1790 to 1807, and from 1833 to 1842, with the years of protection from 1817 to 1832, and from 1842 to 1846 the average report of breadstuffs and provisions was much larger in the years of low as compared with high duties, especially considering the difference of population.

As a still more conclusive proof that the export of breadstuffs and provisions was much greater under low than high duties, it appears by table DD, hereto annexed, that our total exports of cotton from 1790 to 1807, both inclusive, was of the value of \$81,074,843; and during the same period our exports of domestic produce, exclusive of cotton, was \$530,411,134; making our exports of domestic produce, exclusive of cotton, at the rate, from 1790 to 1807, of \$29,467,285, which it will be perceived, at once vastly exceeds the average annual exports of domestic produce, exclusive of cotton, under years of high duties. Indeed, the tables of the treasury clearly prove that, whether we look at imports or exports, the revenue, the gain of specie, the tonnage coastwise or foreign, the coinage at the mint, or the export of breadstuffs and provisions, the balance is largely in favor of the low duty periods.

The department has thus reviewed the books of the treasury and presented the results, constituting the record of a nation's history, from the foundation of the government down to the present period, in condemnation of the protective policy. These records show, as to imports and exports, revenue, the gain of specie, the tonnage foreign and coastwise, the rate of increase in each and all of these cases is greater under low than high duties. These records are not arguments merely, but ascertained results, amounting to mathematical proof that the nation's advance in wealth is most rapid under low duties, thus sustaining the views of those great philosophic writers unconnected with party, who both in Europe and America, have uniformly maintained the same position.

Comparing the first twelve months ending the 1st of December, 1847, under the new tariff, with preceding years, we find proofs of increased prosperity. The revenue has largely augmented; so, also, have the imports, exports and tonnage, our imports of specie, our coinage at the mint, our agricultural and mineral products, our commerce and navigation, the business upon our lakes, rivers and coastwise, upon our railroads and canals, whilst, in every direction, manufactories are being established or enlarged, and new manufacturing towns and cities are springing into existence. Even the revulsion in England, which always produces such disasters to all our great interests, including cotton, this year, with the famine combined, effects nothing, thus far, compared with former years, but the great staple of cotton. Instead of ruin, we find prosperity, the manufacturers receiving fair profits, and the workmen augmented wages and employment.

Coal and iron are in greater demand and bringing better prices than before the repeal of the tariff of 1842, yet they can derive no portion of their augmented price from that famine abroad, to which is attributed, by some, all our existing prosperity, but which famine, in fact, is causing a temporary



drain of specie to England, not to pay balances, but because bills are discredited, which has, for the time, depressed the price of cotton, and which is the only brief check at this period to our advancing prosperity. If, as is truly the case, our wealth, as connected with the mines, the forest and fisheries, our agriculture, commerce, manufactures and navigation are more prosperous, and above all, wages are augmented, why should we change the existing system? The predictions of its failure have themselves failed. The new tariff is no longer an experiment; the problem is solved; and experience proves that the new system yields more revenue, enhances wages, and advances more rapidly the public treasury.

In the midst of all this success, why put in jeopardy, by any change, the nation's welfare? When free trade is advancing so rapidly throughout the world, shall we retrograde and invite Great Britain to re-enact her corn laws, and drive again from her ports our breadstuffs and provisions? And now, when under our successful example the ports of Europe are most probably about being more widely opened to all our exports, shall we check the advancing spirit of the age, and extinguish the dawning light of commercial freedom? Everywhere nations are being aroused upon this subject, their statesmen are resisting the interested classes, and exposing the injury and injustice of shackles upon trade, and will soon enrol the names of other countries on the great international league of commercial freedom for the benefit of mankind. It was our own country and her public functionaries, who proclaimed these great truths before they had received the sanction of other nations.

Our great movement was felt in British councils, was quoted as a precedent in the halls of British legislation, where American free trade documents were recorded among their archives, and our doctrines approved and example followed, by the repeal of the British corn laws, and the reduction or repeal of other duties upon our exports. Indeed, it has been conceded by some of our own most distinguished protectionists, that the promulgation of free trade doctrines in the American official documents of 1845, certainly accelerated, if, indeed, it did not actually insure the repeal of the British corn laws. With such results already from our efforts, we have every motive to persevere, until the free trade doctrines of Great Britain and America, the two great nations of kindred blood and language, shall open the ports and disenthral the commerce of the world.

What may we not hope from our efforts with other nations, if they have succeeded in Great Britain? That country, so long the bulwark of protection, applying it by a sliding scale upon the masses of her people down to the utmost point of human endurance, has at length overcome the errors of ages. One of her own great statesmen, the most able and efficient champion of the protective policy, at length lifts his eyes to the light of truth, and with that moral firmness and intrepidity which is the highest evidence of real greatness, abandons the cherished policy of his life, only because he found it to be injurious to his country, and unites in the support of commercial freedom, with his illustrious, but untitled countryman, who has earned for himself the highest of all earthly distinctions, that of benefactor of his country and of mankind.

☐ The conclusion of the Treasury Report will be contained in our next number. The document is a valuable one, for its statistical details, and we regret that we have not space for the whole document. We leave our readers to make their own conclusions from the arguments urged in favor of free trade. We have, however, long since believed that *Free Trade* is nothing without reciprocity.—*Ed. B. M.*

## LEGAL MISCELLANY.

Decisions of the Supreme Court of Pennsylvania, 1845 and 1846.

## BANK NOTES.

1. A certificate that, "there is due from the Hazleton Coal Company to A. or bearer \$5, value received, payable one year after date at the office of the company, Philadelphia, with interest, at six per cent. per annum, being part of a loan authorised by an act of the legislature of Pennsylvania, of the 8th of March, 1839," signed by the president, and by B., for the treasurer, and printed on bank note paper, is within the act of March 22d, 1817, § 2, inflicting a penalty on the issue of promissory notes, tickets or engagements of credit in the nature of bank notes. *Hazleton v. Megargel*, 4 Barr's Reports, 324.

2. Possession by plaintiff coupled with proof of the signatures made by the officers of the company, is not sufficient evidence of the making and issuing within the act. *Ibid.*

## BILLS OF EXCHANGE AND PROMISSORY NOTES.

1. The endorser of a promissory note protested for non-payment, signed an agreement reciting, that, whereas the drawer was about making an arrangement with the holder for the renewal of the note, "*which is to be reduced from five to ten per cent. every sixty days*," and consenting that the protested note be held as collateral security, and stipulating to take no advantage of any delay given. The holder received the agreement, and extended the time without always exacting the stipulated reduction. *Held*, (1.) That the agreement was founded on a sufficient consideration. (2.) That the holder having accepted some renewals, without exacting the reduction, had given time to the drawer without the consent of the endorser, and could not recover on the original endorsement. *Dundas v. Sterling*, 4 Barr's Reports, p. 73.

2. The drawer of notes, payable in grain, at a fixed price, deliverable at his mill, at their maturity, set apart a sufficient quantity to meet the demand; *held*, the property in the grain was changed, and the notes paid. *Zinn v. Rowley*, *Ibid.* 169.

3. Where an accommodation endorsement, with several prior endorsers, was given by a firm with assent of all the members, on a note which was discounted by the plaintiff, with knowledge of the facts; and the firm's name, with assent of all the members, was endorsed on several successive notes given in renewal, on which changes and omissions were occasionally made in the names of some of the prior endorsers; the members of the firm are all liable on an endorsement by one of their members on a note subsequently given in renewal, from which one of the previous endorsers was omitted, which had been on the previous notes, without proof of their assent to the particular endorsement under such a change of circumstances. *Dundas v. Gallagher*. *Ibid.* 205.

4. Want of notice of the dissolution will charge the firm on a subsequent accommodation endorsement; the holder having had previous dealings with the firm in the same manner as if the firm continued to exist. *Ibid.*

5. Surviving partner has an implied right to continue an accommodation endorsement on notes in renewal of a former note. *Ibid.*

6. Where two persons joined in signing a note, that is the evidence of the

contract, and a merger of previous agreements for a loan to one. *Miller v. Miller*, *Ibid.* 317.

7. In an action on a post-dated check, proof of a parol agreement made at the time of its execution that payment was not to be demanded at maturity, but that time was to be given at the election of the drawer, is inadmissible, and no defence to the action. *Hill v. Gao*, *Ibid.* 493.

8. Partners right to give note after dissolution. *Robinson v. Taylor*, *Ibid.* 242.

#### BILLS OF EXCHANGE.

An instrument having the usual words of a note, payable to bearer, and in addition an authority to any attorney to enter a judgment in favor of the holder for the amount of the note with costs, coupled with a release of errors, and a waiver of stay of execution, and of the right to an inquisition and appraisement *is not a negotiable note*, and, consequently, an execution may issue on a judgment (previously confessed,) on the day after the day fixed for payment—the drawer not being entitled to the days of grace. *Overton v. Taylor*, 3 Barr, 346.

The holder of an accommodation negotiable note, may sell, discount, or pledge it for an antecedent debt: the rule governing pledges of the property of others not being applicable to commercial paper of this character. *Ap-pleton v. Donaldson*, *Ibid.* 381.

A party to a negotiable instrument actually negotiated, though inadmissible to impeach it, may prove subsequent matters, as payment or discharge. The admissibility of his evidence depends on its character. 3 Barr, 381.

Notice of protest is not required to render a firm liable on an endorsement, where all the members of the firm are members of the house which drew the bill. *West Branch Bank v. Fulmer*, *Ibid.* 399.

A bank receiving a bill for collection, or as collateral security only, is bound to follow the usual course of business, and give notice of non-payment to the endorser; but if the endorser have knowledge of the non-payment, or for other reasons the notice be unnecessary, the bank will not be liable for a neglect to notify. *Ibid.* 399.

Where the original sealed protest of a foreign bill of exchange was destroyed by fire, and the foreign notary who made the protest, testified, that he was at the time a notary public duly commissioned; that his term of office had expired; that no successor to him had been, or could be appointed, and that the laws of the state gave him no authority to certify any document under his former notarial seal; it was *held*, that a sworn copy of the original protest by such foreign notary himself, being the best evidence of which the nature of the case admitted, *was* sufficient to supply the want of a seal. *McGarr v. Lloyd*, 3 Barr, 474.

Where all that is necessary to constitute notice to the drawer of a foreign bill of exchange of the protest thereof is proved by the testimony of the foreign notary, except that he did not expressly say, that the notice put into the post-office by him was addressed to the drawer at the place where he resided; the legal presumption is, that the notary did all that the law exacted of him as an officer or an agent. *Ibid.*

The *five per cent.* allowed by statute on the protest of a foreign bill of exchange, need not be *specialty* demanded in the declaration. *Ibid.*

In an action by the holder of a dishonored foreign bill of exchange against the drawer, the plaintiff is entitled to the amount of the bill, and *five per cent.* additional, with interest on the whole from the date of the protest to the date of the judgment below.

Endorser is liable for interest on a bill, according to the law of the place on which it is drawn. *Mullen v. Morris*, 2 Barr, 85.

Endorsee of an over-due note takes it, subject to the equities arising out of the note itself, and not to set-off generally. *Hughes v. Large*, 2 Barr, 103.

*Semble*: The commercial law governs negotiable notes in Pennsylvania; they are not dependent upon the acts of assembly, *Ibid*.

An endorser is not liable on a promissory note of a corporation which it could not lawfully issue. *Southern v. Morris*, 2 Barr, 175.

Even though the instrument purported to be a certificate of deposit which it was lawful to issue for the properties of promissory notes, which are forbidden, cannot be given to lawful instrument. *Ibid*.

An endorser "without recourse," of a treasury note which had been paid, and afterwards stolen and put in circulation, the marks of payment having been fraudulently obliterated, is liable to his endorsee, for these words merely limit his responsibility by the law-merchant in the event of the instrument being dishonored. *Frazer v. D'Inwilliers*, 2 Barr, 200.

United States treasury notes are negotiable instruments. *Ibid*.

Drawee cannot refuse acceptance, and receive funds with notice that they were provided to meet the draft; he must reject the whole or none. *Pearl v. Clark*, 2 Barr, 355.

Protest of a foreign notary not evidence of a demand of payment of a promissory note. *Etting v. Schuylkill Bank*, 2 Barr, 355.

A notice dated on the second day of grace, stating a demand on that day will not bind an endorser. *Ibid*.

An entire day is allowed for transmitting a notice by every endorser, and a direct notice which reaches an endorser as soon as he would have received it by regular transmission through all the parties, is sufficient, though they live in the same town; but a delay beyond that day by any one endorser will discharge the prior parties. *Ibid*.

The holder of a check, payment of which had been refused for want of funds, passed the same to his vender, stating, in answer to inquiries, there was nothing wrong about it. *Held*, the suppression of these facts were fraudulent, and a recovery might be had on the original contract of sale. *Martin v. Pennock*, 2 Barr, 376.

The drawer of an accommodation note is not entitled to the privileges of a surety, as between himself and strangers, having by the instrument agreed to be considered the principal; nor does he acquire the rights of a surety by subsequently giving a bond for the amount of the note. *Lewis v. Hanchman*, 2 Barr, 416.

A note payable one day after date is not due for the purpose of commencing suit, or entering judgment, until after the termination of the day of payment, though, by commercial usage, it may be demanded at a reasonable time on that day. *Taylor v. Jacoly* 2 Barr, 495.

The liability of a principal to his guarantee not having paid the money, is not discharged by the bankrupt law. *McMullen v. Ranks*, 2 Barr, 343.

Debt payable in books and labor, discharged under the bankrupt law. *Ibid*.

Plaintiff purchased bills on London, at one hundred and eighty days' sight, not to be negotiated, unless eastward of the Cape of Good Hope, by giving his note at twelve months, on the maturity of which the amount was to be adjusted on stipulated principles. This was done, new notes given and paid, after knowledge of all the facts: *Held*, The interest paid during the time the bills were outstanding could not be recovered, because, 1. He was bound to pay the notes at maturity at all events. 2. Because, voluntary payments, with knowledge of facts could not be recovered. *Keener v. The Bank of the United States*, 2 Barr, 237.

Evidence of mercantile usage that the interest during such period, was for the benefit of the purchaser of the bills, was inadmissible, as tending to alter the express agreement of the parties. *Ibid.*

English Chancery Decisions.

ANNUITIES.

The grantee of an annuity effected a policy on the life of the grantor, at his own expense. The grantor had a power of redemption on payment of £2500, and it was provided, that in case the grantor should, "at the time of making such repurchase," by notice in writing, elect to take the policy, the grantee would then assign to him any policy, "then vested" in him, which might be effected in respect of the annuity; but it was declared, that it should not be incumbent on the grantor to keep on foot any policy. The policy became valuable, and the grantor gave the month's notice of repurchase, and declared his election to take the policy. *Held*, That the grantee had no right afterwards to surrender the policy for his own profit; and, *semble*, that although he might have let the policy drop, yet he was not, at any time entitled to surrender it for his own profit. *Hawkins v. Woodgate*, 29 English Chancery Reports, 565.

A testatrix, being liable to pay an annuity, to A. for life, purchased an annuity during B's life, and effected a policy on B's life for £2000. By her will, she recited, that on the death of B. £2000 would be recovered to her estate. In the event of B. dying in the life of A. the executors were to provide A's annuity out of her estate. In the event of A's death, before B. she gave the purchased annuity to C. he paying the premiums; and on the death of B. she gave to C. the £2000. B. died in the life of A. *Held*, That C. was not entitled to the £2000. *Leckie v. Hogben*, *Ibid.* 592.

*Insurance Bank of Columbus v. Bank of the United States.*

In the District Court of Pennsylvania, Nov. 29th, the trial of the case of *The Insurance Bank of Columbus v. The Bank of the United States*, was brought to a close. The case had occupied the court for two weeks, and the amount claimed was nearly \$400,000.

Judge Jones charged the jury at 10 o'clock, and occupied more than an hour. The charge discussed a great variety of points put to the judge by the parties, a number of which, in his opinion, were not material to the issue between the parties. The following report will embrace all that directly concerns the case, as left to the jury. The plaintiffs sued the defendants for a balance of account due from defendants to plaintiffs (as appeared by the books, \$292,000.)

Soon after the Bank of the United States was chartered by the State of Pennsylvania, the legislature, by act, authorised the bank to purchase the stock of other corporations. In pursuance of this power, the bank purchased the whole stock of the Insurance Bank of Columbus for \$600,000. The stock was made over to several persons, but mainly to Mr. Dunlap, president of the Bank of the United States. In 1841 there was a contract for the sale of this stock, which was never carried into effect. After the assignment of

the bank, the assignees finally contracted to sell the whole stock at the rate of \$90 per share to four or five individuals.

By that agreement, the Bank of the United States was to receive payment in part by an extinguishment of the debt due by the bank to the Bank of Columbus, now sued for (\$292,000) and the residue in notes of the Bank of the United States. The defendant alleged that the whole of the stock had, in compliance with the contract, been transferred to the purchasers, and the plaintiff did not dispute, except as to a small portion held by Mr. Watkins, at the time of the sale. The judge, after recapitulating the evidence on that point left the fact to the jury.

In agreement with the views of the plaintiffs, the judge charged that the Bank of Columbus was not bound by any agreement made by the stockholders, unless ratified by the corporation at a regular legal meeting of its proper officers. That the contract for sale, not ratified by the corporation itself, alone worked no extinguishment of the debt due by the defendants. And that there was no evidence of any such legal binding ratification by the corporation. The judge then came to the actual defence of the Bank of the United States. He said that the action, which was an assumpsit, was an equitable action. That the plaintiffs were to show a cause which *ex equo et bono*, should be recoverable. That unless it appeared that there were others interested in the event of the suit than those who purchased of the defendants, the corporation could not recover in direct contradiction of the contract for the sale, at least in the present form of action. That the purchasers, if not the corporation, were as individuals responsible on the contract, and responsible over to the defendant for any thing the corporation might recover of the defendant, in breach of their contract. That they could not sue in the name of the corporation for their own sole benefit, for monies which as individuals they would be liable for to the defendants, when the latter have been compelled to pay. The judge then examined the evidence, and showed that no other person, neither the state of Georgia, other stockholders than the original contractors, nor creditors, were interested in the matter. Verdict for defendants.

#### INSOLVENT LAWS OF PENNSYLVANIA.

*Before the Court of Common Pleas for the City and County of Philadelphia,  
November 27, 1847.*

In the case of the Rev. Ezra Stiles Ely. Present judges King and Parsons, judge King delivered an opinion in the case of the application of Rev. Ezra Stiles Ely, for the benefit of the insolvent law. The facts of the case are interesting and the decision highly important in its bearings upon *cestui que trusts*.

In 1822, the petitioner, by the will of Samuel Carswell became possessed as trustee of Samuel Kinscy Carswell, of an estate consisting of three hundred shares of stock in the Bank of the United States, worth about \$40,000. Immediately after entering upon his office as trustee, Dr. Ely opened an account in the Bank of the United States as trustee; a few months subsequently, however, he transferred all the property from himself as trustee to himself individually.

In 1839, Samuel K. Carswell died, leaving an only child, an infant daughter of two years old, and by will appointed Dr. Ely guardian of the person of his child, he being trustee of her estate by the will of the grand-

father. In 1835, Dr. Ely borrowed on his private account from the Bank of the United States, the sum of \$50,000, for the payment of which he pledged to the bank as collateral security, the three hundred shares of stock, (worth about \$130 per share, or \$39,000,) which he held in trust for his ward, Miss Carswell, and which he had transferred to his private account, during the life of her father, viz. in 1822. When the indebtedness matured, (1837,) Dr. Ely failed to pay it, but two hundred and fifty of the three hundred shares of stock which he had pledged as collateral, were sold by the bank to cover it. In 1843, Miss Carswell married, when at the instance of her husband, Dr. Ely was cited to file his account as trustee of her estate, before the Orphans' Court—he did so, and in that account proposed to transfer to his ward, two hundred and fifty shares United States Bank stock, at its then market value, about six dollars per share, (he having received for it about \$32,500.)

The case was heard before an auditor, and resulted in the auditor filing an account, in which Dr. Ely is declared indebted to his ward in the balance of \$55,000. Dr. Ely excepted to the account, and the case was heard before the Orphans' Court, who confirmed the auditor's report, (some exception was made to an item of \$5000, which was deducted by consent of opposing party) and a decree was entered against Dr. Ely for about \$50,000, upon which he was attached, and whilst in custody, he gave bail in the sum of \$100,000, to appear and take the benefit of the insolvent law. He was opposed by the cestui que trust, under the act of assembly, for June, 1836, which reads thus:—"If it shall appear to the court upon the hearing of any petitioner aforesaid, either by the examination of the petitioner or other evidence, that there is just grounds to believe that such petitioner had embezzled or applied to his own use, any money or other property with which he had been entrusted, either as bailee, agent or depository, and to the prejudice of the opposing creditors, it shall be the duty of the court to commit such person to the jail of the county for trial at the court of Quarter Sessions of the same county."

The ground taken by the counsel for the petitioner was, that the alleged embezzlement had occurred prior to the passage of the act of 1836. And further, that a trustee is neither a "bailee, agent, or depository."

The counsel on the other side replied to the last point, that there could be no doubt that the words "bailee, agent or depository," included a holder of trust funds. To the second they contended that this was a remedial law, and that the petitioner could not endeavor to avail himself of its benefits without incurring its penalties in case of failure—that it was a law providing a remedy under certain circumstances, and it was the duty of the petitioner to show that his case came within those circumstances—that he must place himself in a position to entitle himself to the benefit of this law; and that the petitioner in this case having asked for his discharge, it was his duty to show that that discharge was not prevented by any of the acts mentioned by the statute. Besides, that although the pledge of stock was made in 1835, yet it was not sold by the bank as hypothecated stock until 1837—one year after the passage of the act, and, consequently, the petitioner was brought entirely within its provisions, inasmuch as it could have been redeemed up to time of sale.

The court decided that the petitioner was entitled to a discharge, on the ground that the appropriation of the funds to his own use, occurred prior to the passage of the act of 1836.

*Note.*—Judge Campbell was on the bench during the argument but not when the opinion was delivered. Judge King stated, however, that judge C. concurred with the rest of the court.

## PROMISSORY NOTES.

Before the United States Circuit Court, New York, Judge Edmonds presiding, November, 1847.

*Wm. P. Furnace v. F. Hollande.*—This was an action to recover from the defendant, as endorser, the amount of a promissory note. The defence set up was, first, that there had not been due diligence used to collect the note from the maker of it, who resides in the city, nor was there any proof that it had ever been demanded from him; secondly, that the note had been fraudulently obtained from the maker of it, William Gray, who paid the note to the Croton Insurance Company, as a premium for insurance on a voyage to the West Indies, and that it subsequently turned out that the Insurance Company had not the ability to perform their contract unto him, and were insolvent when they made it, as in a few weeks after he had paid them the note, the company failed, and that in a published statement of their affairs they held out to the public that they possessed assets to the amount of \$258,000, but that those assets turned out to have been of very little value, as out of the \$258,000 not more than \$4000 was or could be collected during nine months after their failure.

The court refused to let counsel for the defendant address the jury on the question of fraud, as the judge held that the company in stating their assets to be \$258,000 committed no fraud, as they did not at the same time guarantee that those assets, or any part of them, were good or available.

Counsel for defendant contended that when a company holds forth to the public that it possesses a certain amount of assets, the public have a right to infer that such assets are good and available, as it is on the faith of those assets they deal with the company.

The court, however, held that it made no matter whether the assets were bad or good, as the company have made no representations about them, or said whether they were available or not, and there was therefore nothing to prove that they had acted fraudulently.

The court decided on the question as to whether the notary had used due diligence in endeavoring to collect it from the maker before he protested it. The evidence on this point was, that when the note became due, the notary inquired of the holder of it where the maker lived, and the holder replied that he did not know, and the notary without taking any further trouble to ascertain where the maker lived, protested the note.

The court held that this was not using sufficient diligence, and nonsuited the plaintiff.

---

BILLS OF EXCHANGE AND PROMISSORY NOTES.

New York Supreme Court Decisions.

The second endorsee and holder of a bill had obtained judgment against the drawers, and the second endorser who was liable on the paper paid the amount to the holder and received from him an assignment of the judgment; *held*, that this was not an extinguishment of the debt against the drawers, or the prior endorser. *Harger v. McCullough*, 2 Denio, 119.

The drawers were an incorporated company, the stockholders of which were personally liable for its debts. *Held*, that the assignee might use the name of the plaintiff in the judgment in an action to enforce the liability of a stockholder. *Ibid*.



## BANK STATISTICS.

## PHILADELPHIA BANK.

| <i>Liabilities.</i>                        | Nov. 6, 1845.       | Nov. 2, 1846.       | Nov. 6, 1847.       |
|--------------------------------------------|---------------------|---------------------|---------------------|
| Deposits (including unpaid dividends)....  | 1,231,106           | 1,265,080           | 1,454,327           |
| Treasurer of commonwealth.....             | 7,787               | 1,550               | 23,690              |
| Treasurer U. S.....                        | 306,330             | 25,000              | 1,026               |
| Balances due city banks.....               | 23,452              | 195,080             | 174,522             |
| Balances due other banks.....              | 651,687             | 422,532             | 463,924             |
| Interest, exchange and suspense account... | 5,263               | 110,250             | 21,792              |
| Surplus fund.....                          | 134,178             | 159,105             | *252,192            |
| Circulation.....                           | 653,171             | 735,200             | 693,384             |
| Capital stock.....                         | 1,150,000           | 1,150,000           | 1,150,000           |
| Due trustees Bank U. S.....                | 567,800             | 34,000              |                     |
| <b>Total liabilities.....</b>              | <b>\$ 4,730,775</b> | <b>\$ 4,097,794</b> | <b>\$ 4,234,858</b> |
| <i>Resources.</i>                          |                     |                     |                     |
| Bills discounted.....                      | 2,533,591           | 2,482,590           | 2,036,385           |
| Domestic bills of exchange.....            | 275,623             | 261,482             | 758,648             |
| Loans on demand.....                       |                     |                     | 77,265              |
| Bonds and mortgages.....                   | 38,880              | 30,021              | 25,990              |
| Stocks.....                                | 204,494             | 143,894             | 30,241              |
| Banking house and lot (rents \$3,300)..... | 50,000              | 50,000              | 50,000              |
| Real estate (yielding 6 per ct.).....      | 8,510               | 8,510               | 18,535              |
| Cumberland V. B. loan and bonds.....       |                     | 32,250              | 32,250              |
| Bank balances, city banks.....             | 97,718              | 15,980              | 100,463             |
| Bank balances, foreign.....                | 41,230              | 55,131              | 58,248              |
| Bank notes on hand.....                    | 243,293             | 293,075             | 399,714             |
| Specie on hand.....                        | 606,563             | 724,861             | 647,118             |
| U. S. Bank post notes.....                 | 630,873             |                     |                     |
| <b>Total resources.....</b>                | <b>\$ 4,730,775</b> | <b>\$ 4,097,794</b> | <b>\$ 4,234,858</b> |

\*After charging up the deficit, arising from the loan to the Bank of the U. S. It is believed, that above \$ 100,000 will yet be realized from the claim held upon the assets of that bank.

*Philadelphia Bank, November, 1847.*

The stockholders held their annual meeting on the 8th November, 1847, a large and unusual number being present.

George Campbell, Esq. was called to the chair, and C. H. Fisher, Esq. was appointed secretary.

The annual report drawn up by the cashier, exhibiting the prosperous condition of the institution, and accompanied by a lucid statement of the assets and liabilities, was submitted by him on behalf of the board and read to the stockholders.

A letter addressed to the board by the president was read, declining a re-election to that station.

Whereupon, the following preamble and resolutions, offered by John A. Brown, Esq. and seconded by Lewis Wain, Esq. were unanimously adopted.

Whereas, we have learned with unfeigned regret that Samuel F. Smith, Esq., has declined being re-elected president of this institution, over which he has presided with so much manifest ability and advantage to the stockholders, for more than five years; and whereas he accepted the situation at a period of universal distrust and gloom; when the institution was in a state of suspension, and its stock selling at \$30 per share, and under his management it has resumed payments, has paid to its stockholders forty per cent. in dividends, and its stock is now selling at \$119 per share. Therefore,

*Resolved*, That the stockholders consider the results accomplished during this period as furnishing the highest proof of talent and ability in the management of the institution, and express the deepest obligations to Samuel F. Smith, Esq. for his devoted and successful attention to their interests.

*Resolved*, That this meeting unanimously request Samuel F. Smith, Esq. to recall his letter to the board of directors, in which he declined being re-elected.

*Resolved*, That as a token of our appreciation of the eminent services rendered by Samuel F. Smith, Esq. as president of this institution, and as a tribute of our regard and respect we request him to receive from the stockholders a handsome and complete service of tea silver.

*Resolved*, That a committee of three be appointed to carry into effect the foregoing resolution.

*Resolved*, That a copy of the foregoing resolutions be handed to Mr. Smith, and an earnest desire be expressed that he will continue to preside over the institution.

The following resolutions were offered by Lewis Waln, Esq., and unanimously adopted.

*Resolved*, That the thanks of the stockholders be tendered to J. B. Trevor, Esq., cashier, for his untiring zeal and great ability in fulfilling the duties of his office.

*Resolved*, That the directors merit the warmest approbation of the stockholders for the success and ability with which the affairs of the bank have been managed.

On motion the meeting then adjourned.

We are glad to learn that Mr. Smith, at the earnest request of the meeting, was induced to withdraw his letter of resignation, and continue at the post which he has filled with so much honor to himself and advantage to the company.

#### NORTH WESTERN BANK OF VIRGINIA AT WHEELING, AND TWO BRANCHES.

| <i>Liabilities.</i>                 | Oct. 1845.          | Oct. 1846.          | Oct. 1847.          |
|-------------------------------------|---------------------|---------------------|---------------------|
| Capital.....                        | 740,600             | 740,600             | 740,600             |
| Circulation.....                    | 662,458             | 515,817             | 871,014             |
| Individual deposits.....            | 198,068             | 197,566             | 269,995             |
| Bank balances.....                  | 28,613              | 25,288              | 29,768              |
| Discounts, profit and loss, &c..... | 36,346              | 41,770              | 47,648              |
| <b>Total liabilities.....</b>       | <b>\$ 1,666,687</b> | <b>\$ 1,521,041</b> | <b>\$ 1,959,025</b> |
| <i>Resources.</i>                   | Oct. 1845.          | Oct. 1846.          | Oct. 1847.          |
| Bills discounted.....               | 1,104,913           | 998,919             | 1,017,689           |
| Stocks, bonds, &c.....              | 38,210              | 38,695              | 41,895              |
| Real estate.....                    | 104,606             | 163,262             | 101,979             |
| Bank balances.....                  | 123,190             | 78,940              | 394,633             |
| Suspense and expense accounts.....  | 1,980               | 2,026               | 10,582              |
| Gold and silver on hand.....        | 230,344             | 241,140             | 279,182             |
| Bank notes on hand.....             | 63,443              | 48,058              | 113,053             |
| <b>Total resources.....</b>         | <b>\$ 1,666,687</b> | <b>\$ 1,521,041</b> | <b>\$ 1,959,025</b> |

#### BANKS OF MAINE.

The charters of the Bank of Bangor, Bank of Westbrook, Central Bank, and Franklin Bank, expired on October 1, 1847.

The charters of the Kenduskeag Bank, Lincoln Bank, Megunticook Bank, and South Berwick Bank, expired also on the 1st October, 1847, but they were renewed by acts of legislature of last winter, and are of course now in operation. New banks were also incorporated in 1847, under the titles of the Biddeford Bank, Commercial Bank, and Lewiston Falls Bank.

For a more particular exhibit of the condition of each of the banks in Maine. See the July No. of this work, p. 51.

*Bank Statistics.***BANKS OF MAINE.**

| <i>Liabilities.</i>            | Oct. 1845.          | May, 1847.          | Oct. 1847.          |
|--------------------------------|---------------------|---------------------|---------------------|
| Capital stock.....             | 2,884,000           | 3,059,000           | 2,834,000           |
| Circulation.....               | 2,216,380           | 2,536,828           | 2,545,011           |
| Profits undivided.....         | 112,586             | 149,403             | 150,784             |
| Balance due other banks.....   | 79,874              | 46,002              | 60,938              |
| Individual deposits.....       | 1,304,400           | 1,149,505           | 1,647,811           |
| Deposits bearing interest..... | 150,734             | 114,122             | 75,734              |
| <b>Total liabilities.....</b>  | <b>\$ 6,747,974</b> | <b>\$ 7,054,860</b> | <b>\$ 7,314,278</b> |
| <i>Resources.</i>              | Oct. 1845.          | May, 1847.          | Oct. 1847.          |
| Loans.....                     | 5,014,200           | 5,636,264           | 5,150,210           |
| Bank balances.....             | 1,118,160           | 809,532             | 1,263,358           |
| Gold and silver.....           | 205,588             | 259,995             | 472,778             |
| Real estate.....               | 217,236             | 170,432             | 162,041             |
| Bank notes on hand.....        | 192,790             | 178,817             | 265,891             |
| <b>Total resources.....</b>    | <b>\$ 6,747,974</b> | <b>\$ 7,054,860</b> | <b>\$ 7,314,278</b> |

**BANKS OF MASSACHUSETTS.**

Liabilities and Resources of all the Banks in Boston, according to their Annual Returns, September, 1847.

| <i>Liabilities.</i>   | Capital.             | Circulation.        | Profits.            | Bk Balances.        | Deposits.           |
|-----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| Merchants'.....       | 3,000,000            | 1,007,000           | 368,000             | 1,404,000           | 1,038,000           |
| State.....            | 1,800,000            | 428,000             | 169,000             | 388,000             | 504,000             |
| City.....             | 1,000,000            | 231,000             | 95,000              | 75,000              | 396,000             |
| Globe.....            | 1,000,000            | 269,000             | 115,000             | 644,000             | 453,000             |
| New England.....      | 1,000,000            | 269,000             | 130,000             | 289,000             | 288,000             |
| Suffolk.....          | 1,000,000            | 320,000             | 304,000             | 2,215,000           | 226,000             |
| Boston.....           | 900,000              | 363,000             | 102,000             | 94,000              | 463,000             |
| Massachusetts.....    | 800,000              | 127,000             | 61,000              | 101,000             | 248,000             |
| Union.....            | 800,000              | 214,000             | 62,000              | 136,000             | 234,000             |
| North.....            | 750,000              | 298,000             | 56,000              | 95,000              | 271,000             |
| Market.....           | 560,000              | 169,000             | 128,000             | 104,000             | 497,000             |
| Atlas.....            | 500,000              | 178,000             | 39,000              | 237,000             | 195,000             |
| Atlantic.....         | 500,000              | 331,000             | 69,000              | 79,000              | 374,000             |
| Columbian.....        | 500,000              | 156,000             | 35,000              | 5,000               | 235,000             |
| Eagle.....            | 500,000              | 195,000             | 54,000              | 91,000              | 418,000             |
| Granite.....          | 500,000              | 260,000             | 45,000              | 122,000             | 245,000             |
| Hamilton.....         | 400,000              | 322,000             | 61,000              | 75,000              | 265,000             |
| Shawmut.....          | 500,000              | 247,000             | 61,000              | 209,000             | 194,000             |
| Shoe and Leather..... | 500,000              | 300,000             | 105,000             | 334,000             | 211,000             |
| Tremont.....          | 500,000              | 297,000             | 58,000              | 273,000             | 240,000             |
| Washington.....       | 500,000              | 200,000             | 33,000              |                     | 197,000             |
| Traders'.....         | 400,000              | 262,000             | 48,000              | 63,000              | 180,000             |
| Exchange.....         | 383,000              | 253,000             | 10,000              | 54,000              | 210,000             |
| Freeman's.....        | 200,000              | 194,000             | 27,000              |                     | 132,000             |
| Boylston.....         | 150,000              | 154,000             | 11,000              |                     | 99,000              |
| Mechanics'.....       | 120,000              | 149,000             | 16,000              |                     | 46,000              |
| <b>Total 26 Banks</b> | <b>\$ 18,863,000</b> | <b>\$ 7,307,000</b> | <b>\$ 2,262,000</b> | <b>\$ 7,098,000</b> | <b>\$ 7,856,000</b> |

## BANKS OF BOSTON.

| <i>Resources.</i>   | Coin.        | Bk. Notes.   | Bank Balances. | Loans.        | Dividend<br>1845, '46, '47. |     |    |
|---------------------|--------------|--------------|----------------|---------------|-----------------------------|-----|----|
| Merchants'.....     | 620,000      | 375,000      | 139,000        | 5,537,000     | 7                           | 7   | 7  |
| State.....          | 206,000      | 141,000      | 47,000         | 2,897,000     | 6                           | 6   | 6  |
| City.....           | 52,000       | 74,000       | 48,000         | 1,592,000     | 6                           | 6   | 6  |
| Globe.....          | 229,000      | 158,000      | 27,000         | 2,018,000     | 6                           | 6½  | 7  |
| New England.....    | 39,000       | 67,000       | 22,000         | 1,818,000     | 6                           | 6   | 8  |
| Suffolk.....        | 706,000      | 568,000      | 517,000        | 2,174,000     | 8                           | 8   | 10 |
| Boston.....         | 225,000      | 103,000      | 69,000         | 1,476,000     | 7                           | 7   | 7  |
| Massachusetts.....  | 72,000       | 59,000       | 78,000         | 1,053,000     | 5                           | 4-5 | 6  |
| Union.....          | 131,000      | 81,000       | 38,000         | 1,069,000     | 6                           | 6   | 7  |
| North.....          | 60,000       | 117,000      | 39,000         | 1,254,000     | 6                           | 6   | 6  |
| Market.....         | 80,000       | 80,000       | 59,000         | 1,240,000     | 8                           | 9   | 9½ |
| Atlas.....          | 36,000       | 78,000       | 39,000         | 997,000       | 6                           | 6   | 6½ |
| Atlantic.....       | 130,000      | 31,000       | 160,000        | 995,000       | 6                           | 6   | 6½ |
| Columbian.....      | 53,000       | 50,000       | 83,000         | 749,000       | 5½                          | 6   | 6  |
| Eagle.....          | 63,000       | 120,000      | 42,000         | 1,033,000     | 6½                          | 6½  | 6½ |
| Granite.....        | 46,000       | 79,000       | 79,000         | 968,000       | 6                           | 6   | 6½ |
| Hamilton.....       | 56,000       | 128,000      | 71,000         | 969,000       | 6                           | 7   | 7  |
| Shawmut.....        | 76,000       | 87,000       | 54,000         | 995,000       | 6                           | 6½  | 7  |
| Shoe and Leather... | 136,000      | 105,000      | 212,000        | 998,000       | 6½                          | 7½  | 8  |
| Tremont.....        | 71,000       | 174,000      | 82,000         | 998,000       | 6                           | 6   | 6½ |
| Washington.....     | 25,000       | 41,000       | 32,000         | 833,000       | 5½                          | 6   | 6½ |
| Traders'.....       | 51,000       | 38,000       | 62,000         | 800,000       | 6                           | 6   | 7  |
| Exchange.....       | 31,000       | 73,000       | 53,000         | 754,000       | new.                        |     |    |
| Freeman's.....      | 48,000       | 4,000        | 90,000         | 400,000       | 7                           | 8   | 8  |
| Boylston.....       | 17,000       | 15,000       | 84,000         | 300,000       |                             | 5   | 8  |
| Mechanics'.....     | 19,000       | 5,000        | 54,000         | 237,000       | 7                           | 8   | 8  |
| <hr/>               |              |              |                |               |                             |     |    |
| Total 26 Banks,     | \$ 3,286,000 | \$ 2,858,000 | \$ 2,290,000   | \$ 34,158,000 |                             |     |    |

## BANKS OF MASSACHUSETTS.

Comparative view of the Banks of Massachusetts, 1845, 1846 and 1847.

| <i>Liabilities.</i>        | 26 Banks<br>in Boston. | 83 County<br>Banks. | 109 Total,<br>Sept. 1847. | 105 Total,<br>Oct. 1846. | Total<br>Oct. 1845. |
|----------------------------|------------------------|---------------------|---------------------------|--------------------------|---------------------|
| Capital.....               | 18,863,650             | 13,249,500          | 32,113,150                | 31,160,000               | 30,970,000          |
| Bills \$ 5 and upwards.... | 6,420,524              | 8,298,898           | 14,719,422                | 12,329,385               | 12,297,880          |
| Bills less than \$ 5.....  | 787,310                | 1,689,631           | 2,476,940                 | 2,262,529                | 2,041,806           |
| Profits.....               | 2,672,455              | 1,237,128           | 3,499,583                 | 2,504,136                | 1,910,465           |
| Bank balances.....         | 7,098,644              | 164,557             | 7,263,202                 | 5,285,015                | 5,046,121           |
| Deposits.....              | 7,217,797              | 3,047,758           | 10,265,555                | 9,459,375                | 11,668,134          |
| Deposits on interest.....  | 638,813                | 125,902             | 764,715                   | 901,274                  | 1,083,219           |
| Total.....                 | \$ 43,289,272          | \$ 27,813,374       | \$ 71,102,647             | \$ 63,901,714            | \$ 65,017,625       |
| <i>Resources</i>           | Boston Banks.          | Co. Bks.            | Sept. 1847.               | Oct. 1846.               | Oct. 1845.          |
| Coin.....                  | 3,286,016              | 657,957             | 3,943,974                 | 3,054,755                | 3,357,904           |
| Real estate.....           | 695,134                | 367,815             | 1,062,950                 | 1,098,000                | 1,097,970           |
| Bank bills.....            | 2,689,921              | 340,843             | 3,030,765                 | 2,635,060                | 2,612,961           |
| Do. foreign.....           | 169,788                | 62,910              | 232,698                   | 219,695                  | 397,152             |
| Bank balances.....         | 2,289,930              | 3,281,310           | 5,571,241                 | 5,568,088                | 4,902,908           |
| Loans, stocks, &c....      | 34,158,402             | 22,102,537          | 57,260,940                | 51,326,114               | 52,648,730          |
| Total.....                 | \$ 43,289,272          | \$ 27,813,374       | \$ 71,102,647             | \$ 63,901,714            | \$ 65,017,625       |

## COUNTRY BANKS OF MASSACHUSETTS, SEPTEMBER, 1847.

| Location.   | Name of Banks.                | Circulation. | Deposits. | Specie. |
|-------------|-------------------------------|--------------|-----------|---------|
| Andover     | Andover Bank.....             | 239,000      | 512,000   | 7,800   |
| Beverly     | Beverly Bank.....             | 84,000       | 26,000    | 4,700   |
| Danvers     | Danvers' Bank.....            | 51,000       | 30,000    | 2,600   |
| "           | Village Bank.....             | 74,000       | 8,000     | 2,400   |
| "           | Warren Bank.....              | 66,000       | 27,000    | 4,500   |
| Georgetown  | Manufacturers' Bank.....      | 42,000       | 11,000    | 4,900   |
| Gloucester  | Gloucester Bank.....          | 179,000      | 49,000    | 9,600   |
| Haverhill   | Haverhill Bank.....           | 105,000      | 17,000    | 3,800   |
| "           | Merrimack Bank.....           | 108,000      | 7,000     | 4,200   |
| Lynn        | Mechanics' Bank.....          | 115,000      | 50,000    | 7,200   |
| Marblehead  | Grand Bank.....               | 70,000       | 14,000    | 4,800   |
| "           | Marblehead Bank.....          | 73,000       | 18,000    | 8,000   |
| Newburyport | Mechanics' Bank.....          | 93,000       | 27,000    | 8,800   |
| "           | Merchants' Bank.....          | 80,000       | 66,000    | 9,800   |
| "           | Ocean Bank.....               | 130,000      | 71,000    | 11,000  |
| Salem       | Asiatic Bank.....             | 99,000       | 70,000    | 7,600   |
| "           | Commercial Bank.....          | 70,000       | 60,000    | 2,300   |
| "           | Exchange Bank.....            | 70,000       | 78,000    | 5,100   |
| "           | Mercantile Bank.....          | 61,000       | 27,000    | 6,500   |
| "           | Merchants' Bank.....          | 47,000       | 25,000    | 5,200   |
| "           | Naumkeag Bank.....            | 140,000      | 57,000    | 17,000  |
| "           | Salem Bank.....               | 33,000       | 32,000    | 2,100   |
| Salisbury   | Powow River Bank.....         | 117,000      | 17,000    | 5,500   |
| Brighton    | Brighton Bank.....            | 250,000      | 45,000    | 14,800  |
| Cambridge   | Cambridge Bank.....           | 90,000       | 18,000    | 4,200   |
| "           | Charles River Bank.....       | 86,000       | 47,000    | 8,200   |
| Charlestown | Bunker Hill Bank.....         | 144,000      | 138,000   | 45,700  |
| Concord     | Concord Bank.....             | 100,000      | 33,000    | 8,700   |
| Framingham  | Framingham Bank.....          | 149,000      | 13,000    | 11,700  |
| Lowell      | Appleton Bank.....            | 92,000       | 50,000    | 7,000   |
| "           | Lowell Bank.....              | 193,000      | 56,000    | 11,300  |
| "           | Rail Road Bank.....           | 656,000      | 46,000    | 27,800  |
| Waltham     | Waltham Bank.....             | 106,000      | 16,000    | 5,800   |
| Fitchburg   | Fitchburg Bank.....           | 186,000      | 24,000    | 11,000  |
| Lancaster   | Lancaster Bank.....           | 140,000      | 3,000     | 5,300   |
| Leicester   | Leicester Bank.....           | 117,000      | 9,000     | 3,000   |
| Millbury    | Millbury Bank.....            | 46,000       | 11,000    | 2,000   |
| Oxford      | Oxford Bank.....              | 98,000       | 6,000     | 5,100   |
| Southbridge | Southbridge Bank.....         | 94,000       | 5,000     | 4,200   |
| Uxbridge    | Blackstone Bank.....          | 81,000       | 12,000    | 5,700   |
| Worcester   | Central Bank.....             | 117,000      | 40,000    | 6,600   |
| "           | Citizens' Bank.....           | 121,000      | 49,000    | 10,300  |
| "           | Quinsigamond Bank.....        | 102,000      | 58,000    | 9,500   |
| "           | Worcester Bank.....           | 177,000      | 84,000    | 18,700  |
| Northampton | Northampton Bank.....         | 256,000      | 25,000    | 9,000   |
| Ware        | Hampshire Manufacturers' Bank | 178,000      | 10,000    | 9,800   |
| Greenfield  | Greenfield Bank.....          | 193,000      | 19,000    | 6,500   |
| Springfield | Agawam Bank.....              | 122,000      | 52,000    | 8,600   |
| "           | Cabot Bank.....               | 162,000      | 11,000    | 3,700   |
| "           | Chicopee Bank.....            | 225,000      | 66,000    | 15,800  |

| Location.                                      | Name of Bank.                  | Circulation.  | Deposits.     | Specie.      |
|------------------------------------------------|--------------------------------|---------------|---------------|--------------|
| Springfield                                    | Springfield Bank.....          | 172,000       | 56,000        | 25,300       |
| Westfield                                      | Hampden Bank.....              | 104,000       | 15,000        | 6,000        |
| Adams                                          | Adams Bank.....                | 123,000       | 16,000        | 4,700        |
| Lee                                            | Lee Bank.....                  | 139,000       | 7,000         | 3,700        |
| Pittsfield                                     | Agricultural Bank.....         | 150,000       | 47,000        | 8,800        |
| Stockbridge                                    | Housatonic Bank.....           | 142,000       | 25,000        | 5,300        |
| Dedham                                         | Dedham Bank.....               | 141,000       | 49,000        | 17,700       |
| Dorchester                                     | Dorchester and Milton Bank.... | 68,000        | 29,000        | 6,200        |
| Canton                                         | Neponset Bank.....             | 81,000        | 9,000         | 3,600        |
| Quincy                                         | Quincy Stone Bank.....         | 84,000        | 29,000        | 9,600        |
| Randolph                                       | Randolph Bank.....             | 88,000        | 16,000        | 4,800        |
| Roxbury                                        | People's Bank.....             | 105,000       | 23,000        | 10,300       |
| Weymouth                                       | Union Bank.....                | 100,000       | 17,000        | 4,800        |
| Wrentham                                       | Wrentham Bank.....             | 91,000        | 6,000         | 4,200        |
| Attleborough                                   | Attleborough Bank.....         | 55,000        | 7,000         | 4,600        |
| Fairhaven                                      | Fairhaven Bank.....            | 82,900        | 95,000        | 3,800        |
| Fall River                                     | Fall River Bank.....           | 130,000       | 91,000        | 8,300        |
| "                                              | Massasoit Bank.....            | 86,000        | 24,000        | 11,100       |
| New Bedford                                    | Bedford Commercial Bank.....   | 127,000       | 89,000        | 7,000        |
| "                                              | Marine Bank.....               | 125,000       | 87,000        | 7,100        |
| "                                              | Mechanics' Bank.....           | 45,000        | 32,000        | 3,600        |
| "                                              | Merchants' Bank.....           | 140,000       | 159,000       | 6,900        |
| Pawtucket                                      | Pawtucket Bank.....            | 49,000        | 57,000        | 3,800        |
| Taunton                                        | Bristol County Bank.....       | 174,000       | 54,000        | 4,500        |
| "                                              | Machinists' Bank.....          | 29,000        | 12,000        | 6,500        |
| "                                              | Taunton Bank.....              | 122,000       | 58,000        | 7,700        |
| Hingham                                        | Hingham Bank.....              | 108,000       | 36,000        | 6,700        |
| Plymouth                                       | Old Colony Bank.....           | 84,000        | 20,000        | 1,800        |
| "                                              | Plymouth Bank.....             | 120,000       | 8,000         | 4,200        |
| Wareham                                        | Wareham Bank.....              | 67,000        | 32,000        | 2,500        |
| Falmouth                                       | Falmouth Bank.....             | 81,000        | 6,000         | 4,100        |
| Yarmouth                                       | Barnstable Bank.....           | 159,000       | 23,000        | 7,800        |
| Nantucket                                      | Pacific Bank.....              | 158,000       | 178,000       | 12,800       |
| 83 Banks, total circulation, deposits and coin |                                | \$ 9,988,530  | \$ 3,173,660  | \$ 657,967   |
| 26 City Banks, total, " " "                    |                                | 7,207,834     | 7,856,610     | 3,286,016    |
| Total 109 Massachusetts Banks, Sept., 1847..   |                                | \$ 17,196,364 | \$ 11,030,270 | \$ 3,943,973 |
| Total Massachusetts Banks, October, 1846...    |                                | 14,591,914    | 10,360,650    | 3,054,755    |
| " " " " 1845..                                 |                                | 14,339,686    | 12,751,353    | 3,357,904    |

## REMARKS—FROM THE ANNUAL REPORT OF THE SECRETARY OF STATE.

By acts passed at the last two sessions of the General Court, the following banks were established, viz.

The Massasoit Bank in Fall River, with a capital of \$ 100,000;—commenced operations December 9, 1846;

The Appleton Bank in Lowell, with a capital of \$ 100,000;—commenced operations May 14, 1847;

The Exchange Bank in Boston, with a capital of \$ 500,000;—commenced operations July 15, 1847;

The Machinists' Bank in Taunton, with a capital of \$ 100,000;—commenced operations July 30, 1847;

The Bay State Bank in Methuen, with a capital of \$ 200,000;—commenced operations October 25, 1847;

The Mahaiwe Bank in Great Barrington, commenced operations, 1847.

By acts of the General Court of 1847, the following banks were authorized to increase their capital, viz.

The Boston Bank in Boston, \$ 300,000;—paid in June 18, 1847;

The Union Bank in Boston, \$ 200,000; not paid in;

The Bunker Hill Bank in Charlestown, \$ 50,000;—paid in Sept. 17, 1847;

The Lancaster Bank in Lancaster, \$ 25,000;—paid in June 4, 1847; and the Lancaster Bank declared a dividend of 9 per cent., payable June 1, 1847, on \$ 100,000.

#### LATEST BANK RETURNS.

|                               | Capital.     | Circulation. | Deposits.    | Specie.      |
|-------------------------------|--------------|--------------|--------------|--------------|
| Virginia Farmers' Bank.....   | 2,978,000    | 2,943,000    | 1,115,000    | 990,000      |
| " Bank of Virginia.....       | 2,550,870    | 2,292,000    | 1,068,000    | 830,009      |
| " Exchange Bank.....          | 1,808,300    | 1,088,000    | 661,000      | 461,000      |
| " Bank of the Valley.....     | 1,100,000    | 1,364,000    | 367,000      | 285,000      |
| Total, Oct. 1847.....         | \$ 8,437,170 | \$ 7,687,000 | \$ 3,211,000 | \$ 2,566,000 |
| Planters' Bank Tennessee..... | 2,248,300    | 1,673,000    | 318,000      | 515,000      |
| Ohio 41 in August.....        | 5,372,059    | 7,771,000    | 4,170,000    | 2,323,000    |
| Georgia 9 in October.....     | 4,741,200    | 3,201,000    | 1,905,000    | 1,448,000    |
| New Hampshire 20 in June..... | 1,890,000    | 1,512,000    | 538,000      | 144,000      |
| Maine....                     | 3,059,000    | 2,536,000    | 1,149,000    | 260,000      |
| Connecticut, May.....         | 8,605,742    | 4,437,000    | 1,782,000    | 462,000      |

## GOLD MINES OF RUSSIA.

From the Paris "Journal Des Debats."

The sum of thirty millions of rubles, (twenty-four millions of dollars,) in precious metals which the emperor of Russia has this year placed at the disposition of western Europe has caused not a little surprise. The finances of the empire were not supposed to be in a condition to make such an advance convenient. Russia was reputed the poorest of the five great powers, and yet it is she who comes to the assistance of the commerce of the richest states. This unexpected incident may be attributed to several causes, but more than all to the development which has been recently given to the efforts for procuring gold in the eastern provinces of the empire.

The working of the gold mines in Russia, though it dates back only a few years, has acquired great importance. It has become an event which may have great influence, and which has already changed the relations of the two precious metals in the world to such a degree as to cause a perturbation in their comparative value to be anticipated. We borrow on this subject some facts from a recent work of Michael Chevalier on the gold and silver mines of the two hemispheres. The gold mines are situated in the chain of the Ural mountains and more to the east, in the heart of Siberia. These are immense alluvions stretched out at the foot of the Ural mountains or in the valleys of the more elevated chain of the Altai mountains. Gold

is there in its native state, disseminated as usual in very small quantities in the midst of sand and gravel. The zone in which the auriferous deposits are distributed has a mean width of about nine hundred kilometres, (rather more than half a mile,) and a length of several thousand kilometres. The presence of gold on so great an extent of soil is one of the most remarkable of the mineralogical phenomena which can be pointed out on the face of the globe. It may be compared to the permanency of silver in the metallic veins which in America cross the chain of the Andes, the length of which is fourteen thousand kilometres. These mines, which were worked by the ancients, and whence antiquity, according to the father of history, drew the greater part of the gold in use, had been entirely lost sight of; and the recital of Herodotus passed for a fable, when, towards the close of the last century and the beginning of the present, chance discovered in the Ural chain that certain portions of the beds of sand and gravel, the soil of which is uniform in these vast regions, contained a little gold dust. The working was not regularly carried on until 1823. Till then, all the gold furnished by boreal Russia was reduced to six hundred and fifty kilograms\* weight, which was separated as an accessory production from the silver, of which the country has some mines. Six hundred and fifty kilograms represent, according to the tariff of French money, which gives to gold fifteen times and a half the value of silver, a sum of about four hundred and fifty thousand dollars. The working of the gold mines, carried on at the same time by the crown and by individuals, has been constantly increasing, but private industry produces much more than the workshops of the crown. In 1845 the production, as officially stated, was 18,803 kilograms of fine gold. Allowing for what passes off clandestinely in order to avoid the impost, the production may be placed at 22,564 kilograms, which represents 15,540,000 dollars. In 1840 the amount obtained was not two-fifths of this sum, but during these last years the increase has been very great. In 1846 there were obtained, in the whole, nearly 30,000 kilograms of fine gold, worth nearly \$20,700,000.

To form an idea of the importance of this revenue, it must be compared with the quantity of gold thrown by other countries into the general market. It results from the most careful researches, that this product is only equal to about 30,000 kilograms. Thus Russia brings double the quantity of gold annually yielded to the commerce of the world. It surpasses America in the ratio of two to one, for America yields only 14,934 kilograms of fine gold.

A more exact idea of the importance of this product may be formed by comparing it with silver. Since the discovery of America the production of silver has greatly increased. At the beginning of the century, the new world yielded 796,000 kilograms of fine silver, valued at over thirty-five million dollars. The Spanish republics, almost all of them made desolate by anarchy, have seen this product fall to 614,641 kilograms of fine silver, worth somewhat more than twenty-seven millions of dollars. The general production of silver was, at the beginning of the century, about 900,000 kilograms, about forty millions of dollars. America then furnished nine-tenths of this metal. There was then produced in the world 36 kilograms of silver to one kilogram of gold, or 2 francs 33 centimes in silver against one franc in gold. At present the total product of silver may be estimated at 875,000 kilograms worth near thirty-nine millions of dollars against more than 60,000 kilograms of gold, worth more than forty-one millions of dollars. This is more than 14½ kilograms of silver against one kilogram of gold, and 94 centimes of silver against one franc of gold. The old proportion is thus overturned, and it must be attributed to Russia.

\* Kilogram equal to 2.21 lb



The rate which was presented at the beginning of the century was nearly the mean rate of the product of the two metals since the discovery of America. Till more recent times America had had almost the exclusive privilege of supplying the world with gold and silver. What that country had produced from its discovery to the first of January, 1846, may be computed to amount to 7 milliards 120,000,000 of dollars, of which 5 milliards 340,000,000 were in silver, and one milliard, 980,000,000 of gold; or in weight to 120,169,000 kilograms of fine silver, and 2,877,600 kilograms of gold; or, again in volume, 11,477 cubic metres of silver and 149 cubic metres of gold. It was in weight 42 kilograms of silver against one kilogram of gold, in value about 2 francs 33 centimes in silver for one franc in gold.

It is in consequence of this great extraction of silver that the gold had acquired so much value in relation to that metal, and that one kilogram of gold, which in commerce was formerly exchanged for ten kilograms of silver, had reached the value of 15½ or 15¾. In process of time, if, as there is reason to believe, the produce of gold continues to be in Russia what it is now, the comparative value of the two metals will not be slow in approaching more or less what it was three centuries ago. It is true that the explanation given by M. Michael Chevalier gives reason to think that the improvement in the art of mining in America, which will probably be the inevitable and speedy consequence of the dominion of the United States over the new continent, will tend to cause for silver, the same changes which Russian industry has brought about in gold; the expenses of production will diminish still more than can be hoped in regard to gold; the quantity produced will increase, the value of the two metals compared with each other may remain the same or a little modified; but their value, in relation to commodities, will fall in a greater or less proportion. This will be a revolution.

We see by the preceding remarks how the Russian government, to whom its subjects sell all they obtain of gold and silver, has found itself the possessor of a great quantity of gold, and has been able to bring forth to the eyes of astonished western Europe more than thirty millions of rubles. The imperial administration, like all oriental governments, when they can, follows the system of metallic reserves, which, under the inspiration of a more enlightened public economy, the governments of Europe have with reason renounced, for reserves produce nothing. This treasure has now become considerable. The emperor of Russia draws from it the amount of thirty millions of rubles, which he places in a very advantageous manner, since he buys French or English stocks at seven or eight per cent. below the rate at which they will probably be in a year. It is not for Europe to blame him for having accumulated a metallic reserve, when she is now profiting by it. We may remark, however, that, by a singular contradiction, the Russian government kept several millions in ingots in the cellars of one of the fortresses of St. Petersburg, while the representative sign of value in the empire was paper money, depreciated to such a point that the paper ruble circulated for a quarter only of its nominal value.

This operation, ordered by the emperor, is nevertheless interesting, though the effect of it has been exaggerated. It is useful to Europe as well as to the imperial treasury. Some persons remark that it is curious that the great production of gold should be in the hands of the Autocrat of all the Russias, while that of silver is concentrated in that of the American democracy. If we attributed to the precious metals the importance formerly given to them by public opinion, at that time less enlightened, this relation, which is only a game of chance, from which no political effect may be expected, would be interpreted as an extraordinary prognostic.

## EXTRAORDINARY DISCLOSURES.

BANKRUPTCY COURT, BASINGHALL-STREET, 1848.

*In the Bankruptcy of Mr. John Bull.*

The bankrupt, who was formerly in an extensive way of business, appeared for the purpose of passing his examination under the fiat lately issued against him. The court was thronged with clamorous and irritated creditors, and the learned commissioner was astounded at the disclosures made by the balance-sheet and the bankrupt's books. The bankrupt himself appeared but little sensible of the disgrace attending his situation, and when questioned as to the causes of his failure, he persisted in referring it wholly to Peel's bill and the defective state of the currency. He was closely examined by the commissioner, and his answers occasionally created some amusement.

The debts in his balance appearing to amount to the incredible sum of about £800,000,000, he was asked how he came to pursue a course of such reckless extravagance, and what prospect he had ever entertained of being able to pay them? He answered with great coolness, that many of his debts were of very old standing, and that he could give no good explanation of them; that a considerable part had arisen from his disputes with a quarrelsome and swaggering neighbor; that part had been occasioned by an undutiful son whom he had vainly endeavored to keep in subjection, and that the residue arose chiefly from his general habit of living beyond his means. He complained that he had not had value received for half the debts in his balance-sheet; and that he had fallen into the hands of grinding Jews and plausible tricksters, who had swindled him into an engagement to pay in good coin what they had advanced him in clipped and counterfeit money; but that they had overreached themselves by making it impossible he could ever pay at all, and he had long given up the hope of it. He said his present managing clerk (who was rather a sanguine person) had indeed flattered him with the hope of paying off all his debts if he kept him in his service long enough; but as this clerk had himself been the means of adding enormously to their amount in a very short space of time, and had also confidently told him that the worst was over just before he was obliged to stop, he did not attach much faith to his assurances. However, he insisted that his debts had nothing to do with his bankruptcy, which was wholly and solely attributable to the pressure and panics, occasioned by unsound monetary legislation.

The commissioner remarked that the bankrupt was in desperate circumstances last year, and almost without the means of subsistence, and yet that it appeared from his books that he had made over a prodigious amount of his property to a sister who lived in another country; and from whom he had received nothing in return. The bankrupt admitted the fact of having made away with his property, but said his honor was not quite correct in saying he had received nothing in return, for he had received plenty of abuse. However, he did not care about that; and he then went on with a vehement flourish about his sister's distresses and his own generosity, which called forth some marks of sympathy from the bystanders. But the commissioner gravely observed, that a person in the bankrupt's situation had little right to boast of a generosity practised at the expense of others who were now suffering for it; and that it evidently appeared that his sister ought to be able to support herself by her own exertions; and that, considering how

closely the transaction approached the time of his bankruptcy, it bore every appearance of a fraudulent preference. His honor added that this appeared to be one of the immediate causes of the bankrupt's stoppage; but the bankrupt strenuously insisted that it was a mere trifle, and wholly unconnected with his failure, which was brought about by Peel's bill and that only.

The commissioner then observed that it appeared from the accounts that the bankrupt on the very eve of his failure had been resorting to the common and destructive expedient of attempting to prop up his credit by paper accommodation and ruinous discounts, in which he had been aided by some parties of the names of Russell and Wood, and a joint stock bank notorious for mismanagement. The bankrupt admitted that he had done so, but denied that he had injured himself by this step, which had only failed because it did not go far enough; and he assured his honor that if he could have only got as much accommodation paper as he wanted, and on his own terms, he should have been still on his legs; but this was prevented by Peel's bill.

The commissioner then asked the bankrupt if the failure of his crops last year, and his losses by the potato disease, which were set down at an alarming amount in the balance-sheet, had nothing to do with his difficulties? To which he answered, nothing whatever; and that his bankruptcy was occasioned solely by want of money, which Peel's bill had made artificially scarce. His honor smiled, and observed that it struck him that nothing could be more natural than a scarcity of money to a man who had lost it and fooled it away as the bankrupt had done, and that what the bankrupt appeared to have wanted was an artificial plenty. He had never heard more absurd and unsatisfactory answers given.

His honor then remarked, that there was one part of the balance-sheet that was outrageous, and that was the amount of the bankrupt's railway speculations. Here was a man confessedly in a state of hopeless insolvency, who, nevertheless, plunged into a vortex of speculation, and projected railways in one year to the amount of between £300,000,000 and £400,000,000; and who with resources everywhere failing him, persisted up to the very day of his stoppage in applying nearly all his available funds in paying calls on these mad speculations, which could not return him a farthing for many years to come. The bankrupt admitted this to be true, and said that the very last payment appearing in his books, and which had been made by overdrawing his bankers, borrowing of his friends, and pawning his few remaining valuables, had been made to prevent a forfeiture of his new consolidated sixteenth extension preference shares in the Direct Bagshot heath Dartmoor Forest Junction line, guaranteed to pay 10 per cent. by the Great Asinine Company. He admitted that the shares had fallen twenty per cent. since the call was paid; but he said he had no doubt when the present artificial scarcity of money was removed they would bear a higher premium and that though possibly the line might not be immediately remunerative, a remote posterity would reverence the memories of the directors who had developed the hitherto dormant resources of those barren districts which were to be brought into conjunction. The bankrupt, then (after quoting Sir Robert Peel on the advantages of direct lines) went on to assure the commissioner, that although the last call left him without a shilling in his pocket, it was not in the remotest degree connected with his stoppage, which was entirely attributable to the working of that insane act of parliament which had crippled the gigantic resources of this great country by the mischievous and fatal impediments of a restricted currency on the metallic basis; but the commissioner, who had heard him with evident impatience, and had several times intimated doubts as to his distresses having affected his mind, at length cut

him short by adjourning the examination *sine die*, saying it was the worst case he had ever seen, and advising the bankrupt to make no application for a certificate.—*Times*.

## THE BANK OF ENGLAND.

History of the Bank of England, its Times and Traditions. By John Francis, 2 vols. 8vo, London, 1847. (Continued from p. 389.)

### CRISIS OF 1836—1837.

The commercial discredit at the end of 1836 and beginning of 1837, arising from the panic which followed the excitement of the former year, was productive of renewed assistance on the part of the Bank of England. Some private banking houses claimed and received gold to a large amount, on the representation that if aid should not be afforded, the most disastrous consequences must ensue. One banking house, that of Esdaile & Co., stopped payment. Great anxiety was evinced throughout the city. Fears were entertained lest a run should commence on others. It was agreed, therefore, that each of the London bankers should pay £5000, in order to prevent a catastrophe which might have become generally ruinous. By this policy the city was preserved from distrust and the creditors of Messrs. Esdaile received all their demands in full.

From the beginning of 1837 doubts had been entertained that "the resources of the principal houses in the American trade, vast as those resources were known to be, would not be sufficiently adequate to meet the enormous extent of their engagements." In February and March their difficulties had excited great attention; and it became doubtful to what extent their necessities would require assistance, and, until this doubt was expelled, great concern was felt in all monetary circles. The bullion left the bank coffers; and by the 7th of February it had fallen to £4,032,000. In this month the emergencies of the great American houses were notorious; and it afterwards became known that they had applied for and received assistance from the Bank of England. It was soon ascertained that a sufficient amount had not been granted to save them from falling; and in May, 1837, they again applied for help. On an investigation of the offered securities they were found inadequate; and, after a long and anxious deliberation, the directors came to the conclusion of refusing the request. The ramifications of these houses were so extensive, that it was evident great mischief must ensue from their destruction. On the 1st of June, 1837, the day on which the appeal was finally rejected, three great American firms announced a suspension of payments. For a week there was great distrust, if not an absolute panic, as the houses alluded to were under acceptances, at the time of their failure, to more than five millions. By the absence, however, of much doubtful paper, the circulation became sounder; and, assisted by advances from the bank, to the amount of £6,000,000, the trade of the country revived. The years 1838 and 1839 witnessed a repetition of similar scenes. In nine months 3,300,000 quarters of grain were entered for home consumption. The large payments for foreign corn had depressed the exchanges, and the country was embarrassed still further by its financial relations with the United States. American securities had been over-imported, and there was a continued drain upon the bullion of the Bank of England which was reduced from £7,073,000 in April, 1839, to £2,522,000, at which it stood in the following October. On the 16th May an effort was made to stop this pro-

gressive drain by raising the discount to five per cent. On the 20th of June it was again increased to five and-a-half, with the further announcement that money would only be advanced on bills of exchange. Still the drain went on; and on the 13th of July a notice was issued that the Bank would receive proposals for the purchase of the dead weight, either in money or in stock. The attempt failed, as the price offered did not reach its estimated value. "They then," said Mr. Norman, "pledged a portion, and obtained credits in foreign countries upon it; which they made use of to the amount of about two millions and a half. They also borrowed £ 750,000 in exchequer bills from the East India Company, on the same security, a portion of which they made use of." The drain for bullion ceased about October. "I have no doubt," says the same authority, and it must be received with the respect due to a thorough comprehension of the subject, "that the foreign credit operated materially: it tended to restrict the circulation here, and it also furnished means of foreign payment."

"In July, 1839, the bullion in the Bank of England had fallen below three millions sterling, while its rate of discount was as high as 5½ per cent. It was evident that the causes for the existing drain consisted more in distrust abroad, founded on the belief that the Bank of England could not long continue specie payments, than in an unfavorable balance of trade, or a run for sovereigns to hoard at home. Parties on the continent drew out all their balances here, and as much more as their correspondents would give them credit for; discounted the acceptances in London, and, in the absence of foreign bills, took gold from the Bank of England. Under these circumstances it was impossible that exports of produce and manufactures from England could take place immediately to a sufficient extent to counteract the evil; but it was seen that the difficulty would be met, if a temporary creation of bills on the continent could be effected. With this view the Bank of England engaged to transfer English securities, as a guarantee, to Messrs. Baring, Brothers & Co., or those whom they should name, and this house engaged to draw three months' bills for forty millions of francs, on various houses in Paris. These bills, which Baring, Brothers & Co. negotiated on 'change, paying the proceeds into the bank, so as gradually to act upon the circulation, fully supplied the trade demand for remittances hence, and equally served to meet all paper in England remitted here for returns, as they proved a better return than gold. At the end of three months, when the acceptances fell due, the same amount was re-drawn, so as to cover each acceptor by bills on his neighbor, thus prolonging the operation to six months; but before the expiration of this period, the supply of the regular remittances of commerce had been such as to enable Messrs. Baring to liquidate all the engagements in Paris, and to restore the pledged securities to the Bank of England. From this statement the Bank of France will appear to have nothing to do with the operation; but a mode by which they facilitated its progress, and which doubtless gave rise to the erroneous suppositions which have since been entertained on the subject, remains to be mentioned. The drafts drawn by Baring on the various French houses were, of course, liable to be presented for discount to the Bank of France, and as these firms respectively had credit only to a certain limit with that institution, there was a possibility that their rejection might become necessary, owing to such limits being exceeded. This difficulty was calculated to produce an injurious effect; and application was therefore made to the Bank of France, in order that it might be overcome. An understanding was accordingly entered into by the Bank of France, that the drafts, in case they should make their appearance, should be discounted, without regard to the limits in question. This precautionary arrangement, however, proved

to have been scarcely essential, for the drafts being of the first character, and the rate of discount at the Bank of France being somewhat higher than the market rate, they were readily discounted out of doors; and hence it is believed that but a very small proportion found their way into that establishment."

The lowest sum to which the bullion was reduced, was £ 2,300,000; but from this amount the reaction took place, and the monetary affairs of the bank were restored to their ordinary footing; and when, in 1839, the Bank of the United States of America applied for that assistance which was required through pressure and difficulty, they were enabled to offer £ 300,000, which, however, being deemed insufficient, was rejected by the latter.

Mr. Palmer attributed the drain of bullion to three causes. "The first I take to have been the very large amount of American securities that was sold, or for which credit had been given in 1838 and to February, 1839, which increased considerably the amount of bills upon London, in the continental markets; the second cause I attribute to the unprecedented extent of the purchase of foreign corn, in almost every continental port, towards the close of 1838, and almost through the whole of 1839; and the third cause, from the doubt existing on the continent, after May and June, 1839, of the ability of the bank to maintain specie payment, the consequence of such apprehension having been the transmission of all long dated bills upon this country for immediate discount, and return of their values, and the withdrawal of monies to a considerable amount, deposited in this country for foreign account."

#### FORGERIES IN 1841.

In the month of October, 1841, the members of the stock exchange were startled with the rumor of a series of forgeries, the ramifications of which were said to be so wide that no person could tell to what extent they had penetrated. It was stated that a large proportion of the exchequer bills then in the market were forged. Great alarm spread throughout the holders of these securities. No one knew how far he might be involved, and there was no mode of testing their authenticity. The report continued to increase; and the public were made aware of a fraud, so great, that it jeopardized the prosperity of many first-rate houses, and so dishonorable, that it is difficult to find an excuse for one who had possessed the confidence of his superiors for twenty-eight years, and who, by his nefarious transactions, disgraced alike himself and his connections. The Bank of England were deeply interested in the question, as exchequer bills formed a deposit on which they frequently advanced money. The species of bill chosen was the supply bill, issued under the authority of various acts of parliament, and either paid off or exchanged, according to the option of the holder, after the expiration of a year. They pass with as much facility as a bank note, and are, from many circumstances, a favorite investment.

So searching was the inquiry immediately instituted, and so easy of the detection was the fraud, when suspicion was aroused, that by the 25th of the month, Edward Beaumont Smith, chief clerk in the issuing office of the exchequer, was taken into custody. "Availing himself of his official capacity," said the chancellor, "the offender has taken the bills from the office in which he served, in order to forge the name, whose signature, they were bound by law to bear." In every other particular they were genuine exchequer bills, and there was therefore no difficulty in procuring money on them.

For five years did Edward Beaumont Smith, Ernest Rapallo, and

Angelo Solari, confederate to employ the vast power lodged in the hands of the first in defrauding the public. By introductions to brokers and bankers, by plausible assertions that there were friends, great capitalists, who were advancing money, and last, not least, by the offer of a higher rate of interest than that of the market, did these men succeed in their designs. Upwards of £ 800,000 were thus procured; and as another proof that money wrongfully gained is easily lost, they paid upon the stock and share markets large differences with their dishonest gains; in all probability flattering themselves that by some fortunate hit, their liabilities would be paid and their fortunes secured.

The arrangement by which government met the views of the holders of the exchequer bills was considered fair and equitable. In February, 1842, it was announced that of the £ 377,000 in circulation at the time of the discovery, £ 262,000 would be paid. The cases were divided into four classes, distinguishing the various degrees of care which had been evinced by each. Great endeavors were made to procure a remission of Smith's sentence, but the efforts were vain, and the punishment of transportation was awarded to the offender, who, with his accomplices, had received altogether to the amount of £ 885,000.

Various efforts were made in 1843 to procure a salutary relaxation of the labors of clerks in banking establishments, although without success, as the attempts made by benevolent persons to procure an additional hour have hitherto failed. The argument was adduced that other classes worked longer than clerks; and this obtained favor with those who were against the movement. In May, 1843, the Bank of England, in compliance with a request of the members of the stock exchange, gave notice that no transfers would be allowed after one o'clock on Saturdays, and that the future public days would be Tuesday, Wednesday, Thursday and Friday, for all the stocks. In the same year the light sovereigns were called in, and much uneasiness occasioned to the poorer classes. The bank received only large quantities; the poor man, therefore, was left to the mercy of the small tradesman. Sixpence and occasionally a shilling was demanded, and the holder could only complain and comply.

[The gigantic fraud contemplated upon the bankers of Genoa, Turin, Milan, Italy, Belgium, the Rhine, Rome, Paris, Florence, &c. in 1839, is here described with much minuteness and the agency of the proprietors of the "London Times," in exposing this fraud is shown. In this stupendous conspiracy were concerned the Marquis de Bourbel, Lieutenant Bogle of the Royal Navy, the Baron D'Arjuzon and others.]

#### RENEWAL OF CHARTER IN 1844.

The history of the last bank charter act has now to be detailed. It is a history fraught with interest, no less from its importance than from the strange misunderstanding which arose during its progress. For some time previous great speculation existed as to the character of the act; and the future policy of Sir Robert Peel was looked forward to with considerable earnestness. The question of the circulation was widely discussed; but a perusal of the numerous pamphlets appeared to render it impossible to reconcile the contending opinions which obtained. It was a fortunate circumstance for the corporation that those upon whom the management of the detail devolved were successful in obtaining the confidence and esteem of Sir Robert Peel. They had a most difficult task to perform. They had to reconcile the rights of the proprietors with the public interest. They had firmly to resist a strong pressure from without; and they had to accommodate their views to those principles by which it was resolved to frame the charter. Their cor-

responsiveness proves that they did not, by servilely yielding at once, sacrifice the rights of the proprietors, but where they were compelled to give way, they did so from the conviction that resistance was useless. The few words of Sir Robert Peel are sufficient evidence; he said, "I must, in justice to the gentlemen who conducted the negotiation on the part of the bank, declare that I never saw men influenced by more disinterested or more public spirited motives than they have evinced throughout our communications with them. They have reconciled their duties as managers of a great institution, bound to consult the interests of the proprietors, with enlightened and comprehensive views of the public interests." On a subsequent occasion, Sir Charles Wood remarked, and the opinion is valuable as the expression of an opposite political faith, "I will only say that the more we inquired into the conduct of the directors in the management of the bank affairs, the more I was convinced of the injustice of the greater part of the charges which had been made against them: I was convinced that whatever they did, they did in the belief that it was for the best, for the public interest; and above all, I believe that they have not been swayed by any considerations of their mere private interests."

The following is a digest of the clauses of the new bill:

1. That from and after the 31st of August, 1844, the issue of notes payable on demand shall be kept distinct from the banking business, and that it shall be conducted in a separate department, to be called "The issue department of the Bank of England."

2. That on the 31st of August, 1844, the bank shall transfer to the issue department securities to the value of fourteen millions, the debt due by the public to be deemed part; that the bank shall transfer to the issue department, all the gold coin and gold and silver bullion not required; that the issue department shall deliver to the banking department such an amount of notes, as, with those in circulation, shall equal the securities, coin, and bullion, transferred to the issue department. That the bank may not increase but may diminish the amount, and again increase it to any sum not exceeding fourteen millions.

3. That the bank may not retain in their issue department at one time more silver than one-fourth of the gold coin and bullion held at the time.

4. That the notes of the bank shall always be payable in gold on demand, at the rate of £3 17s. 9d. per oz.

5. That if any country banker shall cease to issue his own paper, the Bank of England may issue additional notes to the amount of two-thirds of the authorized issue of the said banker.

6. That a weekly report of the accounts of the issue and banking departments be published in the "London Gazette."

7. That the notes of the bank shall be freed from the payment of stamp duties.

8. That £180,000 per annum shall be deducted from the charge made for the management of the national debt.

9. That if (under provision 5,) the circulation of the bank shall be increased, the net profit of such circulation shall also be deducted from the above charge.

10. That no other banks of issue be allowed than those in existence on the 6th of May, 1844.

11. That after the passing of this act no banker may issue, in England and Wales, any bill of exchange or promissory note on demand, excepting such bankers as were in existence on the 6th of May, 1844, who shall only continue to issue them under the conditions hereinafter mentioned. That the right to issue notes shall not be compromised by the admission or retirement of any partners. That no company now consisting of six or less than six partners, shall, if they exceed that number, be allowed to issue notes.



12. That if any banker shall become bankrupt, or shall cease to issue notes, he shall not resume the issue.

13. That the average amount of the twelve weeks' circulation prior to the 27th of April, 1844, shall be taken of those bankers who issue notes, and they may continue to issue them provided they shall not, on four weeks' average, circulate more than the average previously taken.

14. That if two or more banks become united the same principles shall apply to their issue.

15. That the average circulation of the country bankers, the twelve weeks prior to the 27th of April, 1844, shall be published in the "London Gazette," and this "Gazette" shall be received as evidence of the circulation allowed to such banker.

16. That if two or more banks unite, the same principle shall be applicable to them; but it shall not be lawful for them to issue notes when the partners exceed six.

17. That if any country banker exceed his authorised amount, he shall forfeit a sum equal to the sum issued in excess.

18. That a weekly account shall be sent by every banker issuing notes, on and after the 19th of October, 1844, to the commissioners of stamps and taxes, of the amount in circulation each day of the week; and also an average amount of the said weekly circulation; and on the expiration of every four weeks, the average amount of the said notes, with the amount authorised, shall accompany the weekly account. The weekly average to be published in the "London Gazette." Any banker rendering a false account to forfeit for each offence £100.

19. That the average amount of the issue of each banker is not to exceed that certified by the commissioners of stamps and taxes.

20. That the said commissioners shall have full power to examine all books, at all seasonable times, of such bankers as issue notes, and to take copies or extracts from any such book or accounts.

21. Each banker to return his name, residence, and occupation, or in the case of a partnership or company, the name, residence, and occupation of every person; a copy of such return to be published.

22. Each banker to take out a separate license for every place at which he may issue notes or bills. Any banker having such license in force on the 6th of May, 1844, for issuing notes at more than four separate places, shall not be called on to exceed his licenses for continuing such issue in the places specified.

23. That on and after the 31st of December, 1844, the bank shall pay to certain bankers, agreeing to issue their notes, one per cent. on the amount circulated.

24. That similar arrangements may be formed with other banks of issue, provided the composition be deducted from the amount payable by the governor and company to the public.

25. That all the compositions payable to the several banks which have ceased to issue their own notes under the usual agreement with the governor and company, shall cease on the 1st of August, 1856.

26. That any company of bankers, though exceeding six in number, carrying on the business of banking in London or within sixty-five miles, may draw, accept or endorse bills of exchange, not payable on demand.

27. That all previous privileges, except such as are abolished by the act, shall remain in force, subject to redemption at any time, upon twelve months' notice being given, after the 1st of August, 1855, and on repayment of all debts due from the public."

The last was an unusual feature; as, if the existing government in 1855 omitted to give notice of an alteration in the charter, it was at their option to do so in the following year, or at any succeeding period which might appear to render it advisable to suspend or alter the privileges of the corporation.

## RAIL WAY MANIA OF 1845.

The history of the railway mania of 1845 is not the least remarkable among those delusions which from time to time arise to throw aside legitimate trade, and paralyse national commerce. From 1842, discounts had been easy, and money plentiful. The funds maintained a high rate; low interest only could be obtained. In 1844 it was remarked that there had been a longer continuance of a plentiful supply of money than had occurred in the memory of the oldest capitalists. A desire to speculate grew out of these circumstances. Unlike most periods, when this desire has been spread over many objects, it was concentrated on railways and railway schemes; and England was seized with her ancient phrenzy. For some time it was legitimate, and confined within its proper boundary; but the desire spread; the contagion passed to all; and, from the clerk to the capitalist, the fever reigned, uncontrollable and uncontrolled. Some portion of the press aided the mania. The subject was a capable one, and leading articles trumpeted the growing greatness of the train.

Many of the prospectuses rivalled those of previous periods in grandiloquence. The lines were often recommended, not so much on account of their financial prospects, as they were for historical associations. One was "connected with the remarkable fact that, in the reign of Alfred the Great, the vicinity was the seat of an actual invasion by the Danes under Hubba;" while another gave a history of the battle of Hastings, and invited the public to subscribe for a reason which was only interesting from its connection with a period when railways were unknown.

The tricks of the speculators were as frequent as ever. The daring genius, which in 1825 had projected a Mining Company in the far west, which, in 1836, would skim the Dead Sea, or bore the Swiss mountains for asphalt, was equally ready in 1845 to project railways for the prevailing fancy. There was no possibility of providing for the responsibility of applicants for allotments. In vain the directors announced that no applications would be received without a respectable reference. Respectable references were easy, and the first nobility of the nation were appealed to by men without a shilling. They were also so numerous that it was impossible to ascertain their authenticity. Private property was invaded, and private gardens were measured with all the impudence of the craft. Gentlemen who had lived the best part of the century in their ancestral mansions, were threatened with the destruction of buildings, every nook of which was endeared by some old reminiscence. Fancies and feelings were alike disregarded; it was the age of iron.

Twelve "leading men" in the city brought out a project for a railway. The deposit was trifling, but their standing enabled them to demand a heavy premium. They cleared by this £25,000 a piece, and shortly afterwards sent round a circular, that unforeseen engineering difficulties rendered necessary the abandonment of the scheme, and, with a trifling per centage deducted for expenses, the deposits, not the premiums, were returned. An endeavor at the time to establish the truth of this produced the reply, "It is likely to be true of so many that it will be useless to fix it upon any particular company."

Thus ended the wild excitement of a period within the memory of all. It is another evidence of the truth of Mr. Jones Loyd's assertion that these events occur in cycles; it is another proof that no warning can save a people determined to grow suddenly rich. The delusion passed; but the effects remained. Business was long paralysed. The small trader who had neglected his calling was ruined. The merchant who had embarked in the adven-

turous speculations, found to his cost that the reckoning was yet to come. The deposits were to be met, and many possessed no money wherewith to pay them. They had embarked in engagements which they could not fulfil, and a fearful prospect awaited them. Notwithstanding the wholesale manner in which the new lines were rejected, contracts for a certain amount of work, involving the outlay of a proportionate capital, were entered into by the conductors of various railroads. The deposits have yet to be paid. The question has yet to be decided whether the surplus resources of the country will be sufficient to meet them, and on that doubtful question rests the welfare of the nation until the last call of the last railway has been fulfilled. It is to be feared, to use the homely illustration of Benjamin Franklin, that England must yet "pay for her whistle."

The present history closes with the railway madness of 1845. The strange events which have since transpired, the action of the new charter, the fearful failures which have arisen from the fruitful harvest of 1847, with other important occurrences, are too recent to be fairly or freely discussed by the writer. We are yet in the midst of a storm which is shaking the very pillars of the commercial world; and the future history of the Bank of England promises to surpass in interest and importance any thing which has hitherto been related.

#### DIRECTORY.

The supreme management of the bank is vested in the whole court of directors, which meets weekly, when a statement is read of the position of the bank in its securities, bullion, and liabilities. The directors have equal power, and should a majority disapprove of the arrangement, they might reconstruct it. Eight of them go out and eight come in annually, elected by the court of proprietors; and the system on which the affairs of the bank are conducted is of course liable to change, as new directors may exert their individual influence on it. A list of candidates is transmitted to the court of proprietors, and the eight so recommended uniformly come in. Quakers and Hebrews are not eligible; although many are so well versed in monetary matters. When an individual is proposed as a new director, inquiry is always instituted concerning his private character.

The qualification is the possession of bank stock to the amount of £ 2000, of the deputy-governor £ 3000, and of the governor £ 4000. For many years the directors have adhered to the practice of possessing only the amount of qualification; and when the twenty-five per cent. bonus on stock was given to the proprietors, they merely retained their previous amount. They are responsible for the management of the affairs of the bank, and penalties attached to their conduct, individually or collectively, upon certain occasions. But by the charter they are not responsible for the management of the monetary department to government; and the whole security which the public have for that management depends on their discretion, subject to the new charter.

The governor or deputy-governor, one of whom is always supposed to be in the house, assisted by a select committee of three directors, conducts the daily business, in the intervals between the sittings of the court. The treasury committee consist of the governor and deputy-governor, the directors who have passed the chair, and the gentleman next in rotation for the deputy-governorship. The bullion is purchased by the governor, who considers he has no power to refuse the issue of notes in return for gold bullion as a paper currency, founded upon gold, is the main object of the institution. He does not regulate the price of bullion, which is bought at £ 3 17s. 9d., and

sold at £3 17s. 10½d. It was formerly sold at £3 17s. 6d.; but government considered this too low, and suggested the existing price.

When gold coin is demanded in large quantities, it may be delivered in bags to almost any amount in the course of a day. But the largest amount that can be paid in one day by about twenty-five clerks, if counted by hand to the public, would be about £50,000. When large sums are applied for by bankers or others, the practice of the tellers is to count twenty-five sovereigns, and put them into one scale, then to count twenty-five more, and put them into the other scale; and if the accuracy of the scales be proved by their balancing, the sum is increased in each scale by counting to two hundred. The balance is again tested, and, if found exact, one of the scales is emptied, and the two hundred sovereigns in the other serve as a weight the whole day for the delivery, without further counting, of sums divisible into two hundred. In this way, a thousand sovereigns can be delivered in a few minutes; and upwards of £300,000 were paid to bankers and others on the 14th of May, 1832.

NOTE.—For an official list of officers of the bank, its circulation, bullion, holidays, loan from the Bank of France, and table of charters, &c. our readers are referred to volume first, pp. 61, 147, 231, 234, 533, 613, 627, 693, 700. These added to our present quotations will give our readers a full and satisfactory account of the greatest monied institution in the world.—*Editor B. M.*

## ENGLISH MONEY MARKET.

From Willmer & Smith's European Times.

December 4, 1847.

It will be seen in another column that the first lord of the treasury and the chancellor of the exchequer have officially withdrawn their letter of the 25th October, by which the currency act of 1844 was suspended, and, accordingly, the restriction put upon the Bank of England to require 8 per cent. interest on advances is no longer in force. The Bank of England had, however, anticipated this step by reducing their rates to 7 per cent. a few days previously. Money has accordingly become somewhat easier, but the uncertainty which prevails respecting the ulterior proceedings of parliament upon this question, still leaves matters in an unsatisfactory state.

Since the departure of the *Britannia* on the 19th ultimo, failures of considerable importance have continued to occur.

We regret to state that on the 22nd ult. the drafts of the West India bank were refused acceptance by their correspondents, the Union Bank of London. The large amount of paper drawn by Higginson, Scott, and Deane, of Barbadoes, on Barton, Irlam, and Higginson, of Liverpool, alleged to be about £47,000, which the establishment in the West Indies had purchased and remitted, in spite of repeated warnings, has led to this step, which, if it should unfortunately force the parent institution in Barbadoes to suspend payment, will, it is anticipated, produce the most disastrous effects in that island, and at St. Kitts, St. Vincent, Antigua, Tobago, Trinidad, and Grenada, where the branches are established. A statement of the affairs of the bank up to the 30th June last, has been published on this side, namely:—

A return of the average amount of liabilities and assets of the West India Bank during the period from January 1, to June 30, 1847.

| <i>Liabilities.</i>                                                                                           |                 | £        | s.       | d. |
|---------------------------------------------------------------------------------------------------------------|-----------------|----------|----------|----|
| Promissory notes in circulation not bearing interest.....                                                     | 69,385          | 0        | 0        |    |
| Bills of exchange in circulation not bearing interest.....                                                    | 312,228         | 18       | 1        |    |
| Bills and notes in circulation bearing interest.....                                                          | none.           |          |          |    |
| Balance due to other banks.....                                                                               | 28,902          | 16       | 10       |    |
| Cash deposits not bearing interest.....                                                                       | 6,020           | 9        | 3        |    |
| Cash deposits bearing interest.....                                                                           | 322,414         | 17       | 0        |    |
| <b>Total average liabilities.....</b>                                                                         | <b>£738,952</b> | <b>1</b> | <b>2</b> |    |
| <i>Assets.</i>                                                                                                |                 | £        | s.       | d. |
| Coin and bullion.....                                                                                         | 34,167          | 16       | 8        |    |
| Landed or other property of the corporation.....                                                              | 1,706           | 3        | 9        |    |
| Government securities.....                                                                                    | none.           |          |          |    |
| Promissory notes or bills of other banks.....                                                                 | 3,640           | 0        | 0        |    |
| Balance due from other banks.....                                                                             | 13,181          | 8        | 4        |    |
| Notes and bills discounted, or other debts due to the corporation not included under the foregoing heads..... | 805,434         | 3        | 7        |    |
| <b>Total average assets.....</b>                                                                              | <b>£858,130</b> | <b>2</b> | <b>2</b> |    |

The disproportion between the amount of cash in hand, £34,167, to meet the constant liabilities of £413,540 notes in circulation, balances due to other banks, and deposits, has been much commented upon. The paid-up capital of the bank is about £120,000: the conditions of the charter of 1841, under which the bank is incorporated, required, however, a larger amount of capital to be paid up within two years from that date, but this condition was dispensed with by a treasury order, by reason of its being stated that further capital was not needed. The liability of the shareholders for that amount, as well as double the original prescribed capital, making a sum of about £480,000, still continues in force, and will doubtless, in the event of an ultimate liquidation, leave the creditors of the bank harmless.

The drafts of the Union Bank, at Madrid, being refused acceptance by their London correspondents, occasioned considerable alarm, which, however, has again subsided, under the assurance that the parent bank, although it suspended payments for a few days, resumed business. Messrs. Baring, Brothers & Co., and Messrs. Magniac, Smith & Co. who were alleged to be interested in this temporary suspension, were completely protected.

We have still to notice various private failures, amongst which it will be seen that Messrs. Lackersteen & Co., East India merchants, and Messrs. Sargant, Gordon & Co., of London, colonial brokers, are the principal. The house of Bonaffe & Co., of Havre, largely engaged in the American and East India trade, has been compelled to stop payment. Other minor suspensions, in Holland, Belgium, Trieste, and Hamburgh, do not require especial remark. In Manchester and Liverpool, also, several houses have called their creditors together, but the firms have not been of great magnitude. It will be observed, that Mr. Andrew Rankin, West India merchant, and Mr. Robert Buchanan, broker, of Glasgow, are included in our list. In the London Stock Exchange the failures have been more extensive than for many years past.

It is understood that an India firm of the highest class in London, the name of which was freely mentioned, received, a few days ago, very considerable assistance from the Bank of England, upon the security of extensive landed property, which, it is confidently stated, will enable the house in question to get through all their difficulties.

It is satisfactory to state that the Royal Bank of Liverpool, whose payments were suspended about two months ago, re-opened its doors on the 1st inst., for the transaction of business. Arrangements have been made with the London Joint Stock Bank to act as correspondents in the metropolis for the Liverpool establishment; the deed of settlement has been remodelled, so as to restrict the amount of insecure advances to each individual to £20,000, and to any firm or person whatever to £50,000 on any security. It has been decided to cancel 2000 original shares, and to create in lieu thereof 10,000 of £200 each under a specific arrangement, allotting the new shares to the former proprietors. A further issue of 4000 new preference shares of £100 each has been determined upon. A new direction has been formed, and the best feeling seems to exist between the depositors of the bank and the shareholders. We need not say that the Royal Bank carries with it the best wishes of all our townsmen for its future success and prosperity.

*European Times.*

## MISCELLANEOUS.

**MESSRS. PRIME, WARD & Co.**—Before the Superior Court, New York, Dec. 20, 1847, Judge Oakley presiding.—In the matter of Prime, Ward & Co., on habeas corpus. The petitioners were in custody of the sheriff on a warrant issued from the Supreme Court at the suit of the Jefferson County Bank. Counsel for petitioners moved for their discharge on the following grounds: That the commitment was void on its face. Courts are bound to take notice of the calendar, and according to the commitment in this case, it appeared that the matter was adjudicated on the 21st of November, which day was Sunday, thus rendering the process void on its very face. It was admitted by counsel for the respondents that the process of commitment cannot be amended, but it is asserted that the judge has a right to look to the record, to ascertain whether the process is right in that respect, and if not to consider it amended. This is however denied by the petitioners, who allege that the statute of amendments did not extend to summary proceedings before an officer exercising a limited or special jurisdiction; and all the cases referred to by counsel for the respondents related to proceedings in courts having the power to amend by statute. But it was to be presumed that no case could be found authorising an amendment like the present; on the contrary, courts scrutinize with great particularity proceedings under summary jurisdiction and require in every instance the facts, necessary to confer jurisdiction, to appear upon the process. If then the defect could not be amended, it could not be considered as amended. The sheriff holds, not under the so-called record, but under the process, and if it is void, upon its face he is then a trespasser, and the process will not protect him.

The court decided that the proceedings in the case were informal, and discharged the petitioners from custody. For petitioners N. B. Blunt, Esq.

**FORGERY.**—On Saturday, November 27, 1847, a successful forgery was committed on the Exchange Bank of Albany. About noon a person, supposed to be an Englishman, about 45 years of age, presented to the paying teller of the bank a cheque purporting to be signed by Messrs. Tweddle & Darlington, dated 27th November, for the sum of \$1,805 97, for which he asked payment in bills of a large denomination. The latter said he could

not spare them, but would certify the cheque as good, and then some other bank might be able to accommodate him. The cheque was accordingly certified, and the man left the bank with it, but soon returned, saying he could not get the bills he wanted, and that the teller must do the best he could. The cheque was accordingly cashed, and amongst the bills paid were several of a new emission, dated the 2d inst. No suspicion was entertained of the genuineness of the cheque, but the answers given by the man to some questions put to him by the teller, raised doubts in his mind that all was not exactly right; and on Mr. Darlington entering the bank soon after, he pronounced it a forgery. Telegraphic despatches were sent south and west, and officers and messengers despatched in all directions, but up to yesterday evening no tidings had been heard of the forger.

---

**BANK ROBBERY.**—The president of the Bank of Chester County was robbed on Thursday, December 23, at the West Chester rail road depot, near the corner of Broad and Race streets, Philadelphia, of his trunk or valise, containing upwards of fifty thousand dollars, of the notes of the bank, redeemed circulation; amongst which it is believed are the following, viz. 1 of 1000 dollars, No. 30, dated June 21, 1834. 1 of 1000 dollars, No. 34, dated June 24, 1834. 1 of 1000 dollars, No. 69, dated June 30, 1834.

All endorsed "pay to the order of Drexell & Co.—Wm. W. Jefferis," with the letter D also endorsed on the back of each note. And some of the following may also be included, viz. 1 of 1000 dollars, No. 19, dated June 19, 1834, with the letter D endorsed on the back. 1 of 1000 dollars, No. 41, dated June 26, 1834, same letter endorsed. 1 of 1000 dollars, No. 44, same date. 1 of 1000 dollars, No. 64, dated June 30, 1834. These 7 are all the notes of this bank of the above denominations that are now in circulation. Some of the following may be included in those stolen, viz. 1 of \$500, No. 34, dated June 25, 1834, with the letter D endorsed on the back. 1 of \$500 No. 41, dated June 27, 1834. 1 of \$500, No. 70, dated July 3, 1834. 1 of \$500, No. 78, dated July 5, 1834—3 others of \$500 each, dates and numbers uncertain.

No notes of the above denominations will be issued by the bank until new plates are obtained. These 7 are all the notes of \$500 each, now in circulation. The following are also believed to be among the notes stolen, viz. 1 of \$100, No. 2803, dated March 2, 1847. 1 of \$100, No. 3066, same date. 1 of \$100, No. 596, Sept. 19, 1834. 1 of \$50, No. 2918, March 3, 1847. With the letter D endorsed on the back of each.

The bank will give a reward of \$5000 for the recovery of the money, and a proportional sum for any part thereof. The sum of five hundred dollars will be paid for the conviction of each of the robbers, to be deducted from the above reward if the money is recovered.

---

**GOLD MINES IN RUSSIA.**—The total quantity of gold produced in the six months is 162 poods 14 liv 29 zol 53-96es, of which 95 poods 14 liv 89 zol and 53-96es was produced in private mines, and the remainder in those of the government. But Mr. McCulloch very justly remarks (Com. Dict. p. 1004) in relation to these mines, that inasmuch as the government imposes a duty varying according to the circumstances, from 20 to 25 per cent. on the produce of the mines, as well as the washings of Siberia, there is every reason to believe, that what with smuggling, in order to evade the duty in the private mines, and what with the peculations of agents and others in the government mines, the actual produce may be fairly stated at *one-fourth* more

than is shown by the returns. If so, dropping the fractional parts we should have, as the produce of gold from the the Ural Mountains alone, in the six months, 202 poods, or 8,856 lbs. troy ; which, at 46*l* 14*s* 6*d* per lb (being 3*l* 17*s* 10*d* per oz.,) is equal to 413,796*l* sterling.

The experience of several years past shows that the produce of gold of the mines of the Ural Mountains is, as nearly as possible, just half of the produce of the gold washings of Siberia and of the mines of Kolyvan together ; and we have reason to believe that the same proportion is being maintained in the present year. On this calculation, the entire produce of gold in Russia, during the first six months of the present year, would be 606 poods, or 26,568 lbs. troy.—equal in value to 1,241,388*l* : being at the rate of 2,482,776*l* sterling in the entire year.

It will be seen, by referring to a very interesting document, which we published last week, (the speech of the Russian minister of finance to the council of state,) that a branch of the Commercial Bank of St. Petersburg has recently been established at Catherineburg, in the centre of the mineral operations of the Ural Mountains ; by the aid of which, in facilitating the working of the mines, it is expected the produce will considerably increase.

*London Economist.*

~~~~~  
BANKS OF THE CITY OF NEW YORK. November 1, 1847.

	<i>Capital.</i>	<i>Circulation.</i>	<i>Specie.</i>
Bank of Commerce.....	\$ 3,449,480	\$ 216,085	\$ 599,892
Manhattan Co.	2,050,000	48,063	215,973
Bank of America.....	2,000,200	243,097	700,006
Bank of the State of New York.....	2,000,000	339,904	733,260
Merchants' Bank.....	1,490,000	333,373	793,284
Mechanics' Bank.....	1,440,000	565,457	673,263
Phenix Bank.....	1,200,000	390,440	505,238
American Exchange Bank.....	1,155,000	262,642	785,164
Bank of New York.....	1,000,000	493,758	634,473
Union Bank.....	1,000,000	444,346	714,600
Merchants' Exchange Bank.....	750,000	292,669	112,614
National Bank.....	750,000	209,713	169,337
City Bank	720,000	193,905	215,467
North River Bank.....	655,000	443,445	177,749
Mechanics' Banking Association.....	632,000	361,825	176,998
Fulton Bank.....	600,000	236,413	171,029
Leather Manufacturers' Bank.....	600,000	259,885	157,428
Butchers & Drovers'.....	500,000	290,475	115,366
Seventh Ward Bank...	500,000	300,762	145,585
Tradesmen's Bank.....	400,000	260,708	156,255
Bowery Bank.....	300,000	153,976	20,274
Chemical Bank.....	300,000	242,375	93,084
Greenwich Bank.....	200,000	154,166	33,760
Mechanics and Traders'.....	200,000	160,084	58,526
New York Dry Dock Co.....	200,000	69,460	15,690
	<hr/> \$ 24,003,203	<hr/> \$ 6,967,031	<hr/> \$ 6,574,265

FREE BANKS OF NEW YORK.

The annexed table gives all the free banks divided into four classes, according to the nature of the security deposited.

First Class.—Banks secured wholly by New York State Stocks.

American Bank.	Henry Keep's Bank.
American Bank, Chataque Co.	Long Island Bank.
Bank of Commerce, New York.	Mechanics' Banking Association.
Bank of New Rochelle.	Merchants' Bank, Canandaigua.
Bank of Bainbridge.	Merchants' Bank, Erie Co.
Bank of Saratoga Springs.	Merchants' Bank, Chataque Co.
Bowery Bank.	Merchs. & Farms. Bank, Putnam Co.
Bank of Cayuga Lake.	Merchants' Bank, Poughkeepsie,
Commercial Bank, Albany.	McIntyre Bank.
Chemical Bank.	New York State Stock Security Bank.
Cuyler's Bank.	New York Stock Bank, Durham.
Champlain Bank.	North River Bank, New York,
Commercial Bank, Alleghany Co.	Northern Bank, Madrid.
Commercial Bank, Friendship.	Northern Exchange Bank.
Commercial Bank, Lockport.	Oliver Lee & Co's Bank.
Drovers' Bank, Olean.	Prattville Bank.
Exchange Bank, Buffalo.	Pratt Bank, Buffalo.
Farmers & Mechs. Bank, Ogdensburgh.	Rochester Bank.
Fulton Bank, New York.	Suffolk County Bank.
Franklin County Bank.	State Bank, Saugerties.
Farmer's Bank, Chataque Co.	Unadilla Bank.
Franklin Bank, French Creek.	Warren County Bank.
Fort Stanwix Bank, Rome.	White's Bank, Buffalo.
Hungerford's Bank.	

Second Class.—New York State Stocks and Bonds and Mortgages.

Atlas Bank of New York.	Farmers' Bank, Amsterdam.
Ballston Spa Bank.	Kirkland Bank.
Bank of Vernon.	Luther Wright's Bank.
Bank of Whitestown.	Mohawk Valley Bank.
Black River Bank.	Palmyra Bank.
Bank of Kinderhook.	Patchin Bank.
Commercial Bank, Troy.	White Plains Bank.
Chester Bank,	Wooster Sherman's Bank.
Exchange Bank, Lockport.	Security Bank, Huntsville.

Third Class.—Banks secured by New York State Stocks, Stocks of other States, and Bonds and Mortgages.

Agricultural Bank.	Exchange Bank, Genesee.
Albany Exchange Bank.	Farmers' Bank, Hudson.
American Exchange Bank.	Farmers & Drovers' Bank, Somers.
Bank of Albion.	Farm. & Mechanics' Bank, Genesee.
Bank of Attica.	Farm. & Mechanics' Bank, Rochester.
Bank of Central New York.	Fort Plain Bank.
Bank of Dansville.	James' Bank.
Bank of Louisville.	Lockport Bank and Trust Co.
Bank of Silver Creek.	Mechanics & Farmers' Bank, Ithaca.
Bank of Syracuse.	Middletown Bank.
Bank of Waterville.	Pine Plains Bank.
Commercial Bank, Rochester.	Powell Bank.
Delaware Bank.	

Fourth Class.—Bonds and Mortgages and Stocks of other States.

Bank of Watertown.	Genesee County Bank.
Bank of Corning.	Washington County Bank.

BANK OF ENGLAND.

The large import of gold last week, the diminished demand for accommodation from the bank, and the statement of the chancellor of the exchequer on Tuesday night, have all prepared us for the favorable state of the bank returns, as now exhibited. The decrease of the circulation is large, chiefly attributable to the large payments to the bank on account of the exchequer, while the demand for advances and discounts has continued small, as shown by the large reduction in the securities. The circulation shows a decrease of 755,606*l*, reducing it to 20,179,074*l*, against 21,198,429*l* on the corresponding day of last year. The public deposits show the large increase of 1,228,037*l*, against an increase of 1,098,613*l*, in the corresponding week of last year, when the aggregate amount of this item was 7,876,390*l*, against 7,219,802*l*, as above. The decrease of private deposits is also very large, but still the comparison with the same week of 1846 does not show a great reduction, having been 7,975,058*l*, against 7,866,482*l*, as above. The securities again show a large decrease of 719,351*l*, reducing the item "other securities" to 18,791,117*l*, which in the same week last year was only 13,353,675*l*; but at that period they were rapidly increasing.

The most important item in these accounts is the large increase of bullion of 758,437*l*, making the aggregate amount in both departments 10,016,957*l*. Since that account was made up, 200,000*l* was received at the bank on Monday, by the *Princess Royal* steamer, from St. Petersburg, and 16,000*l* on the same day by the *Countess Lonsdale* steamer, from Hamburg, making, on Monday night, as stated by the chancellor of the exchequer, in his speech on Tuesday, upwards of 10,250,000*l* of bullion in the bank. The large increase of the reserve of 1,511,352*l*, caused by the decrease of circulation and the increase of bullion, raises that item by the above accounts to 4,719,207*l*, and by the further increase of bullion on Monday it was increased to 5,000,000*l*.

The rapid improvement in the bullion and the reserve of the bank induced the directors, on Monday morning to announce to their customers a reduction of the minimum rate of discount to *seven per cent*. During the same day the following correspondence passed between the treasury and the bank parlor, the effect of which is the withdrawal of the letter which authorised the bank to exceed its legal amount of issues:

DOWNING STREET, Nov. 23, 1847.

GENTLEMEN:—Her majesty's government have watched with the deepest interest the gradual revival of confidence in the commercial classes of the country.

They have the satisfaction of believing that the course adopted by the Bank of England on their recommendation has contributed to produce this result, whilst it has led to no infringement of the law.

It appears from the accounts which you have transmitted to us, that the reserve of the Bank of England has been for some time steadily increasing, and now amounts to 5,000,000*l*. This increase has in great measure arisen from the return of notes and coin from the country. The bullion exceeds 10,000,000*l*, and the state of the exchanges promises a further influx of the precious metals. The knowledge of these facts by the public is calculated to inspire still further confidence.

In these circumstances it appears to her majesty's government that the purpose which they had in view in the letter which we addressed to you on the 25th of October has been fully answered, and that it is unnecessary to continue that letter any longer in force.

We have the honor to be, gentlemen,

Your obedient, humble servants,

J. RUSSELL,

CHARLES WOOD.

The Governor and Deputy-governor of the Bank of England.

BANK OF ENGLAND, Nov. 23, 1847.

GENTLEMEN :—We have the honor to acknowledge the receipt of your letter of this day's date, in which you communicate to us, that in consequence of the gradual revival of confidence in the commercial classes of the country, it appears to her majesty's government that the object they had in view in the letter they addressed to us on the 25th of October has been fully answered, and that it is unnecessary to continue that letter any longer in force.

We have the honor to be, gentlemen,

Your most obedient servants,

JAMES MORRIS, Governor.

H. J. PRESCOTT, Deputy-governor.

To the First Lord of the Treasury and the Chancellor of the Exchequer.

The reduction of the rate of interest exercised an immediate and favorable effect on the price of public securities of all kinds. Consols closed on that day a *half per cent.* higher than they opened.—*London Economist*, Nov. 27.

LAW OF BANKRUPTCY AND INSOLVENCY.—A public meeting of gentlemen interested in the state of the law of debtor and creditor, was held on Thursday at the London tavern, to receive a report from the metropolitan committee, appointed some time ago, "to promote the amendment of the law of bankruptcy and insolvency." The meeting was much less numerously attended than might have been expected from the nature of the subject.

Mr. Masterman, M. P., on taking the chair, alluded to the difficulties which tradesmen encountered in the law of bankruptcy and insolvency, and then called on Mr. J. Curtis, the honorary secretary, who read the fourth report of the committee.

Mr. M. Foster moved :—"That the evils under which the country is now suffering from the vicious and disgraceful state of the law of debtor and creditor, imperatively demand that no further delay should be allowed in its revision, in order to protect the mercantile and trading classes from the systematic fraud and reckless trading which are now permitted to be practised upon them, almost with impunity. That this meeting, therefore, receives and adopts the principles embodied in the report of the committee."—Mr. Amory seconded the resolution.

Mr. Mitchell, M. P., moved—"That this meeting recognises the important advantages derived from the administration of the court of bankruptcy, and is therefore desirous that greater facilities should be afforded for bringing within its jurisdiction at the earliest possible period, the persons and estates of insolvents. That the principle established by the county courts act, of punishment by imprisonment for fraud, wilful extravagance, and dishonesty, ought to be extended, and the law of arrest for debt upon mense process restored, but accompanied with ample precautions against abuse.—Mr. Alderman Sidney, M. P., seconded the resolution.

Baron Rothschild, M. P., moved—"That the committee be instructed to press upon the government the necessity of attempting immediate measures for carrying these principles into effect."

Mr. Gassiot, in seconding the resolution, said the higher classes of merchants had hitherto refrained from taking much interest in the bankrupt laws, on the ground that they were not affected by them; but the recent failures had shown that this was a mistake. It was a disgrace to the country that such failures should have occurred, in which the most eminent merchants had come forward with payments of 2s or 3s in the pound. Such an occurrence demanded a complete inquiry into the state of the law.

Mr. Johnson, one of the official assignees of the bankruptcy court, said that if merchants were true to themselves, the bankruptcy court might be made of much greater use. If a poor tradesman owed 570*l* and could only pay 275*l* he was made a bankrupt, and subjected to all the most rigorous proceedings of the court; but if a firm failed whose liabilities were 570,000*l* and declared themselves only able to pay about 10*s* in the pound, this was accepted by the creditors, and no steps were taken to bring them before the court. The meeting ought not to overlook the evils of deeds of trust, in their anxiety to decry the evils of the bankruptcy courts. It appeared to him that many gentlemen present were ignorant of these matters, and of the fact that nearly a million and a quarter were frittered away annually in sinecures and pensions, paid out of the dividends and assets of estates.

Mr. Manning condemned the bill of last session of Lord Cottenham. He moved—"That the thanks of this meeting be given to the Right Hon. Lord Ashburton, the Hon. Edward P. Bouverie, M. P., and to Mr. commissioner Fane, for the valuable assistance which they have afforded in forwarding the views of the committee, and also to the several members of parliament who have attended this day."—Mr. Groucock seconded the resolution.—*London Economist*, Nov. 27, 1847.

EDITORIAL CORRESPONDENCE.

The following letter was written in reply to an application by the editor for copies of the annual returns of the several banks of Pennsylvania. Our object was to publish these returns, if they could be obtained, in anticipation of the pamphlet copy.

——— BANK, PENNSYLVANIA, *November*, 1847.

J. Smith Homans, Esq. Editor Bankers' Magazine.

DEAR SIR:—You are probably informed ere this, by banks near you, that the statements of our banks published by the legislature are not made out at any particular period, but the auditor general sends his circular (generally in November,) to all the banks in the state, requiring them to forward a statement upon such discount days as he designates during the past year.

This I consider about the only admirable feature in our state, relating to banking. You will perceive that by this system our banks have no opportunity of preparing for these statements, as they do not know, until they receive the auditor general's circular, what statements will be published, thus avoiding the periodical contraction and expansion, which the New York system encourages.

When I receive the auditor general's circular, I will forward copy of statements as requested.

I have filled up the enclosed circular.

Yours, respectfully,

Cashier.

BANK OF ——— (STATE OF NEW YORK,) *Dec. 8*, 1847.

J. Smith Homans, Esq.

DEAR SIR:—I enclose herein my draft on * * for three dollars for the Bankers' Magazine, one year in advance, I think, from October last.

You are probably aware that the circulation of the safety fund banks of this state is not in proportion to capital, irrespective of the amount of capital; the ratio being very unequal. The ratio of circulation to capital is one of great moment in this country, where bank notes form so large a proportion of the circulating medium, and the ratio should be such as to afford the greatest safety to the public, while at the same time it allows banks to afford full facilities to the extent of their actual means, and yet not permit them to give undue expansion to credit based on bank notes.

I think the true principle is to allow circulation equal to capital and never beyond it.

This question of the ratio of circulation is soon to be determined for this state by its legislature. Allow me to inquire if you can, without too much trouble, compile and publish in your valuable paper, a table by which can be seen, in a condensed form, the ratio of circulation to capital in the several states of the Union.*

Such a table may tend to the adoption of some uniformity among all the states on this subject. I shall be happy to render you any reasonable aid in this thing.

Yours, respectfully,

President.

BANK OF ——— (STATE OF NEW YORK,) Dec. 21, 1847.

J. Smith Homans, Esq.

DEAR SIR:—I return your circular with the requisite additions, and enclose five dollars for subscription to June, 1848. I owe an apology for not writing earlier. Your publication is a very valuable one to bankers, and indeed to all men of business almost any number is worth the yearly subscription.

I am respectfully, yours,

Cashier.

BANK ITEMS.

BANKS OF NORTH CAROLINA.—The Bank of the State North Carolina has converted its late agency at Morgantown, into a Branch, with a capital of \$100,000 and has made some changes in the capital assigned to Raleigh, Fayetteville and Wilmington, as will appear in our bank list.

The Bank of Cape Fear, has closed its agency at Hillsboro.

The Commercial Bank of Wilmington, is allowed to extend its capital to \$300,000, having at this time \$182,300 paid in.

LEWISTOWN BANK.—The Lewistown Bank of Pennsylvania has suspended specie payments, and it is understood, has made an assignment of its property. The failure of this bank has been the cause of various rumors, respecting other banks of that State and New Jersey—but the paper of nearly all the banks of both States, is now received as hitherto.

FARMERS AND DROVERS' BANK OF WAYNESBURG.—The paper of this bank, is received by two of the Baltimore banks at a small discount.

BANKS OF GEORGIA.—The Commercial Bank at Macon has closed up all its affairs and is not now doing any business.

The Bank of Milledgeville, (capital formerly \$472,270,) is now closing its business and will soon be out of existence. A proposition is now before the legislature of Georgia to authorize or compel the several banks of the state to make semi-annual returns to the comptroller general, for publication: showing their capital, circulation, loans, deposits, specie, &c.

FARMERS & MECHANICS' BANK.—Application has been made to the legislature of Pennsylvania, by the Farmers & Mechanics' Bank of Philadelphia, for a renewal of its present Charter which will expire May 1, 1849: and also for the restoration of its capital from the present statutory amount \$750,000, to \$1,250,000. The extension of capital to be also for the residue of the existing term.

*Our correspondent is referred to our copious bank list in this No., in which he will find the Specie, Circulation and Capital of nearly all the banks of the Union enumerated, from recent official Reports.—*Editor B. M.*

Notes on the Money Market.

New York, December 27, 1847.

There are several existing causes for a serious disturbance of our own money market during the coming six months, to which we now allude and to which the consideration of our readers should be turned. These may be set down under the following heads:

1st. The fall in cotton. 2nd. The wants of the general government. 3d. The working of the sub-treasury. 4th. Undue investments by our capitalists in distant schemes. 5th. Bankruptcies and the condition of the money market in Great Britain. 6th. Excessive imports from Europe.

1st. Our cotton crop is the staple upon which mainly depends the condition of the money market of the United States. The exports of domestic produce annually, from this country, are, in round numbers, \$100,000,000. The quantity of cotton shipped for the years 1844-5 and 6, was as follows:

Year ending Sept. 1, 1845.....	2,072,000 bales.
Do. do. 1846.....	1,647,000 "
Do. do. 1847.....	1,241,000 "

being an average of about 1,653,000 bales, to all foreign ports. This, at an assumed value of thirty-five dollars per bale, is equivalent to three-fifths of the entire exports of domestic produce of the whole country; say sixty millions of dollars. But the recent quotations at Liverpool and New Orleans, satisfy us that upon the present crop of cotton the value is reduced *fully* one-fourth; say to \$26 to 28 per bale. Here then we have a loss of fifteen millions, when compared with former years, even assuming the quantity exported to be an average number of bales. This export cannot be relied upon. The condition of the British cotton factories, is in many places distressing; many having stopped business and the fall in prices must necessarily react upon the planters and merchants of the south, and again have a depressing influence upon the money market of the north.

The Wants of the Government.

We cannot shut our eyes to the extraordinary demands by the treasury upon the vaults of the banks. A new loan is urged upon congress of eighteen millions. The government and the people are one and the same thing: for although the government has endeavored, while money has been redundant, to sever itself from the people and the banks, yet when the trying time comes, capitalists must be resorted to, and sooner or later a drain upon the banks ensues, to furnish supplies for the common treasury. England within the last year has been compelled upon a sudden emergency, to negotiate a new loan of forty millions of dollars; and although the money was wanted mainly for domestic purposes (the aid of Ireland) and although it was confined in its operations among themselves, yet the new loan was one of the strong predisposing causes of the existing money pressure in that country.

The Sub-treasury.

We have yet to see the practical and inevitable results of a scheme conceived in ignorance of the laws of trade and fastened upon the government for years, to the prejudice of the best interests of the union. The practical working of the sub-treasury, we can only compare to a severe bandage upon a human limb to prevent a general circulation of the blood. The human system requires an uninterrupted flow of the blood from and to remote points. So it is with the money arteries of the commercial world. The aggregate coin of the whole country should remain undisturbed by legislation, and serve as a basis for the operations of the government and the people.

Investments in Remote Schemes.

This we have seen in the late pressure, in our sister city, Boston. An unexpected demand for money has arisen there; produced largely, we believe, by undue investments in rail road schemes at the south; in banking capital, cotton factories, insurance companies, stocks, &c. at the south and west. Money having been a long while abundant at Boston and New York, it has sought investment where there were larger prospective gains, at remote places. These investments were in a great measure of a permanent character, and the capital thus parted with could not be readily recalled when needed at home. Among other instances, we have heard of large operations in the stock of certain rail roads in Virginia and Maryland by Boston capitalists, and it is pretty well known that the control is held at that city of two important routes in those states.

Foreign Bankruptcies.

These must have an influence, direct or remote, upon our own money market. We have seen numerous failures mentioned among parties having extensive dealings with this country; and the late law proceedings in this city, in one case, would serve to show that a large amount of capital held by a Wall street house is absorbed by London creditors. We cannot but fear, too, that many English houses, who are under acceptance for cotton shipments, will be unable to stand the existing fall in prices. The south must suffer considerably from this cause alone, but the beginning is not yet come.

Excessive Imports.

The treasury reports furnish us with the following *ominous lines*.

	<i>Dutiable Imports.</i>	<i>Duties.</i>
1845.....	113,000,000.....	27,500,000
1846.....	117,000,000.....	26,700,000
1847.....	122,000,000.....	23,700,000

Our export of grain for 1847, was estimated at thirty millions of dollars. We have received eighteen millions in coin, and we may assume that twelve millions go towards existing balances against us abroad. The enormous imports from abroad, superinduced by a flattering condition of trade in this country, in 1847, continue as if we were yet exporting immense quantities of grain. This is a delusion. Our grain has gone abroad and we have been paid for it; and the demand has in a large measure ceased.

The actual receipts from customs for the year ending 30th June last, were \$23,747,000, while for the quarter ending 30th September last, the customs receipts were \$11,100,000 and the estimates by the treasury for the existing year \$31,000,000.

This would give us an aggregate of dutiable imports for the current year, of \$153,000,000.

Receipts and Expenditures of the United States, 1844 to 1847.

	To July, 1844.	To July, 1845.	To July, 1846.	To July, 1847.
Customs.....	26,183,570	27,528,113	26,712,668	23,747,864
Public lands.....	2,059,940	2,077,022	2,694,452	2,498,356
Miscellaneous.....	261,008	163,998	92,127	100,570
Total ordinary....	\$ 28,504,518	\$ 29,769,133	\$ 29,499,247	\$ 26,346,790
Loans and notes....	1,877,182			25,679,200
	\$ 30,381,700	\$ 29,769,133	\$ 29,499,247	\$ 52,025,990
Expenditures.....	\$ 32,958,827	\$ 29,968,206	\$ 28,031,114	\$ 59,451,177

Treasury Estimates. Receipts.

To June 30, 1848. To June 30, 1849.

Customs.....	31,000,000	32,000,000
Public lands.....	3,500,000	3,000,000
Miscellaneous.....	400,000	100,000
Treasury notes and loans.....	6,285,294	
On hand previous year.....	1,701,251	
	<hr/>	<hr/>
	\$ 42,886,545	\$ 35,100,000
Expenditures.....	58,645,660	55,644,941
Deficit for two years.....	36,274,055	
Amount of public debt paid Dec. 1846, to Dec. 1847...		9,046,511
Interest paid on public debt same period.....		1,433,850
Public debt existing December 1st, 1847.....		45,659,660
Amount of loan of 1846, not yet issued.....		1,648,900
Do. 1847, do.....		4,636,394
Coinage of the mint January 1, to Dec 1, 1847.....		20,758,048
Coinage of the mint from 1793 to Dec. 1, 1847.....		143,238,370

War Loans.

The prominent topic among our money circles, is the annual report of the secretary of the treasury, with the actual and estimated wants of this department of the general government.

The amount of treasury notes and loans realised during the war with Great Britain, were as follows :

Year.	Loans.	Treasury Notes.	Total.
1812.....	10,002,400.....	2,835,500.....	12,837,900
1813.....	20,089,635.....	6,094,800.....	26,184,435
1814.....	15,080,546.....	8,297,366.....	23,377,911
1815.....	14,857,423.....	20,406,897.....	35,264,320
Total 4 years	\$ 60,030,004	\$ 37,634,562	\$ 97,664,566

The actual and estimated loans and treasury notes for the last and two coming years, are as follows :

One year to June 30th, 1847, actually issued.....	25,679,200
Do. do. 1848, treasury estimate.....	22,044,400
Do. do. 1849, do.....	20,544,300

New public debt proposed in June 30th, 1849..... \$ 68,268,500

"The receipts and disbursements of the government in specie, during the last eleven months, have amounted together, to the sum of \$96,894,403, and not a dollar has been lost to the treasury, nor any injury inflicted upon any branch of commerce or business."

The incidental expenditures of the sub-treasury and its numerous officers, are here lost sight of, as well as the cost of transmission of specie from New York to New Orleans.

The secretary shows a prospective national debt of sixty-eight millions of dollars, in July, 1849. He enters into elaborate arguments in defence of *free trade* doctrines, and endeavors to show the advantages derived from the operations of the new tariff. The report is prepared with much ability and with evident research and severe labor on the part of the author. Such indeed, is the great importance of the subjects discussed in this document, and the bearing they have upon the great interests of the country, that we have appropriated a large portion of our present No., to copious extracts from it. See pp. 401—416.

Eschewing, as we do, war and politics, we leave the causes and evils of the existing war to political journals. It is only with reference to their results upon money matters that we have to inquire.

There was a surplus in the treasury at the commencement of the war, May, 1846, of about..... \$ 9,000,000
 To which add public debt, December 1, 1847..... 45,000,000
 And balance of public loans available..... 6,000,000
 And estimated deficit July, 1848 16,000,000

Will show expenditures beyond receipts up to July 1, 1848, of.... \$ 76,000,000

It is proposed in the present emergency, to lay a tax upon tea and coffee, as being the most equitable mode of distributing the burthen of taxation. The best mode of bringing the matter home to the sense of the people, is to levy a sufficient tax each year, to pay the actual expenditure of such year, or within a short period thereafter. The great founder of the democratic faith has laid down the principle that "*it is a wise rule, and should be fundamental in a government disposed to cherish its credit, never to borrow a dollar, without laying a tax in the same instant for paying the interest annually and the principal within a given term.*" "*It is a salutary curb on the spirit of war and indebtedment.*"

Providence.—A correspondent says:

"Money has never been so difficult to be obtained since I have known anything about banking, as at present; yet our merchants are in a better condition to bear a pressure than at any time heretofore. It will be perceived by the bank returns that several of the Providence banks are filling up their authorised capital. The Globe Bank, American Bank, and the Arcade Bank are each increasing their paid up stock."

NEW ORLEANS, December 18, 1847.

There has been more activity in the transactions of foreign exchange for the Boston steamer of the 1st of January. Sterling continues to fluctuate, and higher rates have been offered for the best description of bills, the range being now $6\frac{1}{2}$ @ $9\frac{1}{2}$ per cent. premium. There has been a good demand for francs, which have been sold freely at 5f. 30, to 5f. 37½ during the last three days. Bills on New York remain in good demand, and sell readily at $1\frac{1}{2}$ @ $2\frac{1}{4}$ per cent. discount for 60 days; Boston 60 days $1\frac{3}{4}$ @ 2 per cent. discount; sight checks $\frac{1}{4}$ per cent. premium; Baltimore and Philadelphia 60 days 2 @ $2\frac{1}{2}$ per cent. discount. Havana short sight 5 @ 7 per cent. discount.

DOMESTIC EXCHANGES—NEW YORK, December 30, 1847.

Boston.....	$\frac{1}{8}$ @ $\frac{1}{4}$ dis.	Mobile.....	$\frac{1}{4}$ dis. @ par.
Philadelphia.....	$\frac{1}{8}$ @ $\frac{1}{4}$ "	New Orleans.....	par @ $\frac{1}{4}$ prm.
Baltimore.....	$\frac{1}{8}$ @ $\frac{1}{4}$ "	Nashville.....	3 @ $\frac{1}{4}$ dis.
Richmond.....	$1\frac{1}{2}$ @ "	St. Louis.....	$1\frac{1}{2}$ @ 2 "
Wilmington, N. C.....	2 @ "	Louisville.....	2 @ $2\frac{1}{2}$ "
Charleston.....	$1\frac{1}{2}$ @ "	Cincinnati.....	1 @ $1\frac{1}{2}$ "
Savannah.....	$1\frac{1}{2}$ @ "	Pittsburgh.....	1 @ "
Augusta.....	$1\frac{1}{2}$ @ "	Detroit.....	$2\frac{1}{2}$ @ 3 "
Columbus.....	2 @ "	Buffalo.....	$1\frac{1}{2}$ @ "
Apalachicola.....	2 @ $2\frac{1}{2}$ "	Albany.....	$\frac{1}{2}$ @ "

DEATH.

At Worcester, Massachusetts, on the 21st October, 1847, LEVI LINCOLN NEWTON, Esq. cashier of the Worcester Bank: in the 27th year of his age.

THE
BANKERS' MAGAZINE,
AND
State Financial Register.

VOL. II. FEBRUARY, 1848. NO. VIII.

NATIONAL FINANCES.

Extracts from the Report of the Secretary of the Treasury, December, 1847.

(Continued from page 416.)

France, Russia, Germany, Austria, Italy, Prussia, Switzerland, Holland and Belgium, Denmark and Sweden, and even China, have moved or are vibrating or preparing to move in favor of the same great principle; and if our own country and Great Britain adhere to their present enlightened policy, the rest of the world must lose their commerce, or adopt, as they will, our example. Pennsylvania, surpassingly rich in coal and iron, and but a year since so unanimous for protection, has tried low duties. Her coal and iron pour forth their treasures in increasing abundance; her breadstuffs and provisions find a better and more abundant market; her agriculture, and commerce, her manufactures and navigation, her miners, farmers, merchants and seamen, manufacturers and mechanics, and above all, her toiling workmen, with enhanced wages and every pursuit of industry blessed with increased prosperity, rise up in favor of the new and more liberal commercial policy, and her people by a majority unprecedented, largest in the counties where her coal and iron do most abound, recall their former verdict in favor of protection, and Pennsylvania becomes the very key-stone of the arch of commercial freedom, which must span the hemisphere we inhabit and unite the interests of mankind.

Nations cannot grow rich by destroying or restricting their commerce, and if the restrictions are good, the prohibition must be better. Commerce is an exchange of products; specie often adjusting balances, but constituting so inconsiderable a part of the value of products and property, but a small portion of sales can be for specie, but must be in exchange for other products. The attempt, then, by high tariffs, to make large sales for any length of time, for the specie of other nations, is impracticable, and must diminish the quantity and price of our exports. As specie sales for long periods or great extent are impossible, that nation which from the surplus products of its own labor at the best price purchases at the lowest rate the largest quan-

tity of the products of the labor of the world, progresses in wealth most rapidly. Thus, if one nation by high duties should forbid its citizens purchasing any of the products of other nations, except at greatly advanced price, or should restrict the exchange of the products of its own labor for the products of the labor of other nations, such restricting nation would certainly receive less of the comforts or necessities of life in exchange for the products of its own labor and in this manner (the wages of labor, being connected with the value of its products) depressed wages. If there were three nations, the first raising breadstuffs, the second sugar, and the third cotton, and the first restrict the exchange of its breadstuffs for sugar of the second, and for the cotton of the third, it would certainly get less sugar and cotton in exchange for its breadstuffs than other nations which encouraged free exchanges.

Labor, then, untaxed and unrestricted in all its exchanges and markets, will certainly receive in exchange a larger amount of the products of labor, and, consequently, accumulate wealth more rapidly, than when labor is restricted in its products to a single market, abandoning the profits of the exchanges with other nations. It is thus clear that a tax or restriction on commerce is a restriction or tax on labor, and falls chiefly upon the wages of labor, and it will soon become an axiomatic truth that all tariffs are a tax upon labor and wages.

One of the most common errors is to compare our imports, exclusive of specie, with our domestic exports, exclusive of specie; and if there are more such imports than exports in any one year, such balance of trade is set down as so much lost by foreign commerce to the nation. A single fact proves the fallacy of this position. From 1790, to the present period our imports, exclusive of specie, have exceeded our domestic exports, exclusive of specie, several hundred millions of dollars; yet our wealth has increased with a rapidity unprecedented. The theory, therefore, is disproved by the facts, and the reasons are obvious, of which the following are among the most prominent.

The products of our whale fisheries, extracted by our hardy seamen from the ocean, and most clearly one of the great products of American industry, when imported here, are included in the list of our foreign imports, and go to swell several millions of dollars every year this alleged unfavorable balance. The earnings of freight in foreign commerce by our crews and vessels are not brought into the account, or are often against us when invested in foreign imports. The profits of exchanging our imports or of sales of foreign products do not appear in the balance, or if so, to a very limited extent, or often against us. Thus, an American merchant ships from Boston with a cargo of ice during the winter, valued at that time as an export at a very small sum. He sends it to Calcutta, and sells it at an advance of, perhaps, a thousand per cent. The proceeds he may invest there, in the purchase of goods, which he can bring to Liverpool and probably sell at a profit of 20 to 30 per cent., and the aggregate profit realised at Calcutta and Liverpool, he takes home in specie, or in imports, or in a bill of exchange, which he probably sells here at a premium for remittance. Yet those profits may never appear or may even appear as an unfavorable balance under the head of imports. Upon the same fallacious theory, if instead of purchasing millions of foreign fabrics from the profits of foreign commerce, such valuable foreign articles were presented gratuitously to the American merchant and brought by him into the country, they would swell this alleged unfavorable balance of trade.

To sum up the result as proved by the tables of the treasury, it appears that if the augmentation was in the same ratio as during last year, since the

repeal of the tariff of 1842, our domestic exports in 1849 would exceed those of any other nation, and our imports in 1851, our specie in 1850, our tonnage in 1851, and if our revenue augmented in the same ratio in succeeding years as in the year ending on the 1st of December, 1847, compared with the preceding year, our revenue from duties in 1854 would exceed that of any other nation from the same source. It is not contended, great as the future augmentation may be as to imports or exports, tonnage, specie, and revenue, that the advance will be so rapid as it was this year, when with the shackles stricken from commerce we bounded forward at such a wonderful rate of progress. But that the increase under low duties in a series of years will be regular, rapid, and progressive, is not doubted.

Before the repeal of the British corn laws, the argument here for high duties was, as a measure of retaliation by closing our markets against British fabrics, to force her to open her ports to our breadstuffs and provisions. Well, she has thus opened her ports freely and invites the exchange, and yet it is still contended that we ought to keep out her fabrics by high duties, and, of course induce her to re-establish her corn-laws.

This is a new commercial era, and there are many causes combining at this time to augment trade among nations. The reduction or repeal of duties, the construction of rail roads and canals to bring the products and fabrics of all nations from the interior upon the seaboard, with ocean steamers in addition to sailing vessels, to facilitate and hasten the exchange, and with China, containing nearly one-third of the population of the globe, brought at last within the range of liberal exchanges, at low duties. Our canals and rail roads bringing our own products and fabrics from the interior to the seaboard, or lakes and rivers of the west, the points of distribution for domestic consumption, as well as for shipment in exchange for the fabrics of other nations, are of great and increasing importance.

Without these roads and canals, there are very many points, where coal and lime and iron and other materials could not be brought together for profitable use in the same establishment, there are many farms and manufactories whose products and fabrics could never have found a market, and the coal and iron of Pennsylvania, and of other states, must have remained almost a useless treasure. This, in itself, is a great change in favor of our present domestic industry, and is a far better protection to all the products and fabrics of American labor, than any restrictions which may be imposed by high tariffs, and in truth dispenses with even the pretext for any such policy, which, when the internal communication has brought our own products or fabrics upon the seaboard, would arrest their exchange there for the productions of the world. The doctrine that we cannot encounter foreign cargoes in fair and open competition, is as erroneous and injurious to the national character, as were the fears of some in 1812, that our gallant navy must be retained within our ports and harbors, under the protection of their forts and ordnance, and dare not venture upon the ocean to meet on equal terms, gun for gun and man for man, the navies of the world.

If our country is inferior, and cannot meet at home and abroad upon equal terms the products and fabrics of other nations, it is time that we should prepare to do so. Protection may exclude rival fabrics, and shrink from the encounter, but we can only assume the position of an equal by trying our strength under free trade or low duties. This we have done, and succeeded, and have thereby placed our own industry upon that solid basis which fears no competition. We knew not our strength until it had been tried by low duties, and proved that protection is unnecessary. We are not inferior to other nations in the arts or sciences, in war or in peace, upon the ocean or the land, in agriculture, commerce, manufactures or navigation.

We have the raw material in greater abundance and at a lower price, cheaper subsistence, more mineral wealth, more fertile lands, yielding from a better soil and warmer sun more to the acre and greater variety of products, with exemption from costly government and oppressive internal taxation, at least equal skill, enterprise, industry, energy, perseverance, and inventive genius; our working freemen more vigorous and intelligent, and performing in a day more effective labor, with better and freer institutions, and with public and individual prosperity and capital augmenting in a greater ratio than in any other nation. We require no protection, because our industry and prosperity repose upon the immovable basis of superior advantages, and advancing as we are more rapidly than any other nation in all the elements of wealth and power, our exports, imports, tonnage, and specie, as has been already proved, will soon exceed those of any other country, and the prices be regulated at the creditor city of New York. Restrictions upon the commerce of the Union are especially restrictions upon her commerce, and have impeded her advance towards her destiny predicted in my last report, as the centre and emporium of the commerce of the world.

For that high position, she possesses more natural advantages, and greater elements of augmenting wealth and business than any other city. Let us remove the obstructions which high tariffs have erected round her magnificent harbor, let her have free scope to develop her transcendent natural advantages, and she must become the depot of universal commerce, where international balance sheets will be adjusted, and assorted products and fabrics of all nations interchanged, the great regulator of prices current, and the barometer of the exchanges of the world. The time is approaching when a bill upon New York will bring a higher premium than a bill upon any other city, and when the tribute of millions of dollars, paid by us to other nations upon exchange, shall be paid by them to us and flow into our own great commercial emporium. Whilst New York must contain a large population as well as New Orleans, the principal depot of the mighty west, and many other cities, they will be all small indeed, compared with the masses of the people of the union, who will go on augmenting in a corresponding ratio, still leaving an immense majority of the nation engaged in agricultural pursuits, and supplying with their products not only our own markets, but those of other nations in an ever increasing ratio by reciprocal exchanges under free trade or low duties.

Although it must gratify all our people, that an American city should become the centre of universal commerce, the advantages will not be limited to that place, but all the people and cities and states of the union will feel the favorable effect of this great revolution. Every branch of our industry will be enlarged and invigorated, and foreign cities having ceased to control our commerce or country, will no longer sink at their pleasure and with their revulsions, as heretofore and as they now do, the price of our products. Other Atlantic cities may not be as great as New York, yet they will all be greater when the emporium of universal commerce shall be here, than they would have been with any foreign city occupying that commanding position.

This destiny we can never accomplish if commerce is restricted here, and our industry, instead of seeking for its products and fabrics the markets of more than a thousand millions of people, retires within our home market confined to twenty-one millions of people, and surrenders without an effort the markets and commerce of the world. A liberal commercial policy is essential to the fulfilment of this great destiny of New York and of the union, but above and beyond all, the union itself, the free trade union, its perpetuity and onward progress, in area, wealth, and population, are necessary to the

accomplishment of these grand results. Upon this point sectional fanatics, few in number at home, and despots abroad concurring with them, may hope, and menace, but the American union is a moral and physical, a political and commercial necessity, and never can or will be dissolved.

As well might we attempt to decompose the great element of nature which holds together the planets, suns, and systems of the universe, as hope to sever the links of mighty lakes and rivers, of ever extending telegraphs, railroads, and canals, of free trade, of intercourse, of interest, of love, and affection, of the glories of the past, the present, and the future, which must forever bind together the American union. Indeed, when we look upon the American revolution, the framing of our constitution, the addition of Louisiana, Florida, Texas, and Oregon, our ever extending area, products, and population, our triumphs in war and peace, we must be blind to the past, and close our eyes upon the fulfilling realities of the future, if we cannot perceive and gratefully acknowledge that a higher than any earthly power, still guards and directs our destiny, impels us onward, and has selected our great and happy country as a model and ultimate centre of attraction for all the nations of the world.

R. J. WALKER,
Secretary of the Treasury

STATE FINANCES.

GEORGIA.

Extract from the Report of the Committee of Finance in the House of Representatives.

Balance on hand, 20th October, 1846	\$ 395,536	
Revenue for one year to 20th October, 1847	316,014	\$ 711,550
Expenditures by the state for same period	\$349,300	
Surplus for the year		362,250
Revenue from 20th October, to 23d November, 1848, less expenditures	114,406	
Balance on hand 23d November, 1847,	476,656	

This consists of the following items:

Notes, &c. of specie paying banks,	178,472	
Cancelled coupons, &c.	5,802	
Stock in the State Bank and in the Bank of Augusta	272,300	
Stock in Western and Atlantic R. Road	4,424	
Notes, &c. of suspended banks	14,479	
Notes for lands sold	1,179	476,656
Of which \$ 134,275 is available and \$ 292,380 unavailable.		

The civil expenditures for 1848 and 1849 are estimated as follows:

	1848.	1849.
Members and officers of general assembly	52,000	none
Civil establishment	44,000	48,175
Contingent expenses	10,000	10,000
Printing	10,000	2,000
Interest on public debt	106,000	93,000
Sinking fund	75,000	75,000
University of Georgia	2,000	2,000
Lunatic Asylum \$9,000 deaf and dumb \$2,500	11,500	12,000
Miscellaneous	22,100	2,100
Deficit		38,500

Total for two years, \$ 332,600 \$ 282,775

[The following remarks from a portion only of the report of the committee upon the finances of the state. Further information will be given to our readers when we receive it.]

Estimated receipts under existing laws :

General tax, \$ 250,000; tax on bank stock, \$ 20,000; dividends on \$10,000 bank stock, \$ 600; from lands, \$ 3,500; total, \$ 274,100.

This result, your committee are aware, may be considerably varied by two causes—the appropriations may be more or less, and the amount of interest due on federal bonds yet uncalled for, may exceed our calculations. It is, therefore, advisable, that ample provision be made to guard against contingencies. The sinking fund should not, under any circumstances, be less than seventy-five thousand dollars annually, and a very small increase of taxation would be adequate to the demands upon the treasury, and at the same time enable the state to carry on, to its early completion, the great work in which she has been so praise-worthily engaged for years; and it is confidently believed that the equalization of taxation on the *ad valorem* principle will raise an amount equal to the wants of the government, and finish our great public works.

The public debt, consisting of bonds issued at the executive department, under authority of law, amounts to the sum of \$ 1,579,875 one hundred and forty-two thousand seven hundred and twenty-four dollars and eighty cents of which constitutes our foreign debt, and is payable in London. This debt bears interest at five per cent., and is payable semi-annually in the months of March and September. This debt was contracted in 1839, the bonds having thirty years to run. The interest has been punctually paid, and most of the original debt extinguished. That portion of it held by Reid, Irving & Co., amounting to \$ 72,724, should be paid with as little delay as practicable. The means are in the treasury, and will doubtless be applied at the earliest practicable day. It is for various reasons desirable that the remaining fifteen thousand pounds, in the hands of the Dean of Litchfield, be made payable in the United States; and if that cannot be done, the bonds should be purchased as soon as the treasury is in a condition to do so. Premium on exchange, commissions, risk, &c., make a foreign debt, bearing five per cent., more objectionable than a domestic one paying seven. The federal bonds of the state, issued from time to time for the construction of the Western and Atlantic rail road, and bearing six per cent. interest, amount to \$ 1,435,250. The interest on these, too, is paid semi-annually at the treasury, and has at all times been faithfully met, and occasionally paid in advance. From this commendable punctuality, our public securities deservedly stand as high as any in the union, and investments are constantly being sought in our bonds. It is, however, desirable, in the opinion of your committee, that the semi-annual dividends of interest should be paid to the bond-holder at all such points where it can be safely done by the treasurer, and with greater convenience to the public creditor. Such a policy would, we have no doubt, appreciate our securities from one-half to one per cent.

In addition to the amount of the public debt proper, as stated above, it may not be amiss to recognize, at the present time, the deficit of the Central Bank. As stated in a former report, the excess of 8 per cent. bonds, falling due within the present fiscal year, amounts to \$ 157,000 beyond the means of the bank; and in 1849, an additional amount of \$ 22,000, amounting to, in all, say, \$ 180,000, which, added to \$ 1,579,875, the state debt proper, makes the sum of one million seven hundred and fifty-nine thousand eight hundred and seventy-five dollars and sixty cents. This comprises the entire indebtedness of the state, so far as the same could be ascertained by your committee.

NEW JERSEY.

The message of governor Stratton exhibits the financial position of New Jersey in a highly favorable light. Its actual public debt is only \$37,000, to meet which the treasury has cash in hand and other immediate resources amounting to \$33,000. The principal source of the state revenue is a transit duty upon passengers per the rail roads and canal, amounting in the past year to \$60,000, being two-fifths of its revenue proper; while the aggregate state tax is only \$20,000 for the year, being less than 5 cents for each inhabitant.

New Jersey at the same time shows itself to be one of the active states in works of benevolence and charity; upwards of \$50,000, or one-third of its revenues, having been expended during the year 1847, for the several asylums provided for the deaf and dumb, lunatics, the blind, &c. New Jersey may be well proud of such a condition of affairs and furnishes a potent example to her sister states.

Receipts.

Balance in treasury, January 1, 1847,	\$ 8,778 81
Transit duties New Jersey rail road,	12,507 68
Do. Delaware and Raritan canal,	18,468 69
Do. Camden and Amboy rail road,	26,745 23
Tax on capital New Jersey rail road,	4,000 00
Tax on Paterson rail road,	1,250 00
Dividends on sundry stocks,	21,000 00
State tax of 1846,	22,680 81
Special loans, amounting in all to,	42,000 00
Miscellaneous,	2,563 00
State tax for the year 1847,	20,000 00
State prison, surplus earnings,	1,639 52
Bond and mortgage transferred to the school fund,	3,084 44

Total receipts, **\$184,711 84**

Disbursements.

Paid state account of this amount,	\$3,411 41
Transportation of criminals, &c.	5,820 32
Incidental expenses,	5,489 27
Instruction of deaf and dumb,	2,955 06
Revolutionary pensioners,	2,287 88
State prison salaries,	6,460 16
Do repairs and improvements,	1,639 52
Interest on loans,	1,585 85
Printing,	7,248 97
Salaries, state officers,	15,247 76
Inquisitions,	1,040 62
Commissioners, building lunatic asylum,	32,654 00
Managers of	5,000 00
Repairing of state house, &c.,	4,359 79
Building new wing to state prison,	5,000 00
Court of error and appeals,	1,813 90
Instruction of blind,	2,229 86
Legislature,	16,259 08
Special loan,	35,000 00
State tax due and remaining unpaid,	15,402 00
Cash balance on deposit,	12,314 78
Miscellaneous,	1,491 00

Total expenditures, **\$184,711 84**

ALABAMA.

From the Mobile Register, Jan. 5, 1848.

FINANCES OF ALABAMA.—The whole of our disposable space to-day, is given up to the report of the commissioners on the State Bank and Branches. It is the state paper of the session from which the financial condition of the state can be best ascertained. The bank assets are the only means which the state possesses, independent of the power to tax, for the payment of principal and interest on the state debt. The exhibit is not encouraging, and justifies the forebodings of those who were least hopeful in regard to the aid to be derived by the state from the banks.

The aggregate of the collections since the establishment of this system in February, 1846, has reached about \$3,500,000. The expenditures upon this fund have been for two years interest on state debts, and trust funds, about \$1,140,000, and for redemption of the State Bank currency, about the same amount, say \$1,140,000. The report says that the charges on the balance on hand, for dues to the townships under the sixteenth section laws, would absorb the remainder, leaving nothing to be applied to the capital of the debt.

The estimate for collections to be made from the remaining assets, is \$2,200,000, against which there is still outstanding the amount of \$457,177 of unredeemed circulation. There will then be after the redemption of all the notes, about \$1,740,000, to be applied to the payment in the first place of such interest as may accrue during the collections, and, secondly, if any remains, to the principal.

The annual charge for interest on the state debt is \$471,000, on the university fund \$18,000, and on the sixteenth section fund \$80,000. Total of annual charge for interest, \$569,000.

The January interest on the bond debts is paid.

Collections made at each Bank, from the date of the last Reports to the Legislature, November, 1845, to the 1st of December, 1847:

STATE BANK OF ALABAMA AND BRANCHES—AGGREGATE AMOUNT OF COLLECTIONS.

Amount collected at the Bank of the State of Alabama, from the 25th November, 1845, to December 1st, 1847,	\$343,815
Amount collected at the Branch at Mobile, from Nov. 25, 1845, to December 1st, 1847,	1,110,339
Amount collected at the Branch at Montgomery, from 1st Oct., 1845, to December 1st, 1847,	1,017,337
Amount collected at the Branch at Huntsville, from 1st November, 1845, to December 1st, 1847,	493,464
Amount collected at the Branch at Decatur, from 3d November, 1845, to December 1st, 1847,	492,967

Total from November, 1845, to December 1st, 1847, **\$3,457,073**

Value of Assets of State Bank of Alabama and Branches—Dec. 1, 1847.

From the Bank of the State, about	\$300,000
Do. Branch at Mobile, do.	1,000,000
Do. Branch at Montgomery, about	500,000
Do. Branch at Decatur, do.	300,000
Do. Branch at Huntsville, do.	100,000
Total,	\$2,200,000

Bank of the State of Alabama and Branches, Dec. 1847.

Aggregate amount of collections made to December 1, 1847, . . . \$3,457,973 54

Expenditures.

Two years interest on foreign debt, . . .	\$942,000
Two years interest on University Fund, . . .	36,000
Two years interest on 16th section debt, . . .	160,000
Circulation redeemed, . . .	1,142,823 2,280,823 00

Leaving a balance, Dec. 1st, 1847, of \$1,177,150 54

Our last quotations from England gave the current price for Alabama five per cent. stock at 54 to 58.

[The present legislature has under consideration a plan of taxation for the purpose of maintaining payment of the interest on the public debt. It would be extraordinary, indeed, if the state were allowed, at this period, to fall into insolvency. The aggregate interest on the debt is less than \$600,000 annually, while the domestic exports are not exceeded by more than five or six other states. Such abundant resources show that the state of Alabama only requires a little firmness to pursue the right path in its financial policy.—*Ed. B. M.*]

P E N N S Y L V A N I A .

Comparative Abstract of the Revenue and Expenditures of the Commonwealth of Pennsylvania for the Financial Years ending November 30, 1845, '46, and '47, and estimates for 1848.

<i>Revenue.</i>	1845.	1846.	1847.	1848.
Lands,	\$11,778	\$13,235	\$ 15,293	\$16,000
Auction commissions,	18,900	18,348	21,700	21,000
Auction duties,	71,248	68,290	53,831	65,000
Tax on bank dividends,	86,675	75,384	126,307	125,000
Tax on corporation stocks,	80,147	94,892	124,355	120,000
Tax on real and personal est.,	1,318,332	1,445,112	1,380,781	1,400,000
Tavern licenses,	36,112	45,888	34,963	40,000
Retailers' licenses,	72,908	109,473	143,684	150,000
Pedlers' licenses,	1,427	3,372	2,291	2,500
Brokers' licenses,	1,712	6,544	5,598	6,000
Theatre and circus licenses,		1,180	930	1,000
Pamphlet laws,	99	392	398	400
Militia fines,	7,838	15,090	11,090	15,000
Tax on writs, &c.	30,820	57,820	47,184	50,000
Tax on certain officers,	2,596	12,355	13,611	18,000
Collateral inheritance tax,	33,650	45,468	42,743	50,000
Canal and rail road tolls,	1,154,591	1,357,203	1,587,995	1,700,000
Canal fines, old materials, &c.	5,639	2,679	5,018	5,000
Tax on enrolment of laws,	1,600	2,095	3,420	3,000
Tax on loans,	55,788	110,083	118,977	120,000
Loans,	2,150	12,490	220,089	
Div. on turnp. and bridge stocks,	1,199	1,253	1,076	1,000
Accrued interest,	2,335	4,204	2,043	2,500
Refunded cash,	8,577	15,535	2,242	
Escheats,	909	2,880		3,000
Fees of the public offices,	1,564	1,716	1,257	1,500
Miscellaneous,	1,468	6,076	10,149	6,000
Total,	\$3,010,062	4,529,057	3,977,025	3,921,900
Cash on hand Nov. previous,	663,851	884,886	384,678	680,890

<i>Expenditures.</i>	1845.	1846.	1847.	1848.
Public improvements, ¹	\$661,340	694,505	690,575	779,590
Expenses of government,	239,304	216,632	200,113	210,000
Militia expenses,	18,831	26,655	25,837	20,000
Pensions and gratuities,	41,858	31,425	24,850	25,000
Charitable institutions,	14,643	15,492	29,000	20,000
Common schools,	234,331	193,221	196,804	200,000
Loans,	26,033	25,356	209,065	
Interest on loans,	1,784,182	1,984,623	2,002,240	2,000,000
Guaranty of interest,	20,125	45,721	30,800	30,800
Domestic creditors,	14,761	7,501	5,133	5,700
Cancelled relief notes,	85,000	176,300	150,000	200,000
Damages on the public works,	26,303	25,343	29,026	13,400
Special commissioner,	1,007	1,110		
Revenue commissioners,	2,236		98	2,300
State library,	1,240	724	1,924	1,000
Public buildings and grounds,	1,137	810	1,802	1,200
Eastern reservoir,		12,220	16,515	1,300
Penitentiaries,	13,972	17,210	14,915	15,000
House of refuge,	4,000	4,000	4,000	4,000
Conveying convicts,	711	145	679	
Nicholson lands,	222	1,277	1,751	
Escheats,	800	557	35	1,000
Philadelphia riots,	45,252	13,020	61	
City of Pittsburg,	30,000			
Abatement of state tax,	17,685	33,455	40,367	40,000
Miscellaneous,	4,055	1,962	5,223	6,000
Total expenditures,	\$3,289,028	3,529,264	3,680,813	3,576,280

Extracts from the Annual Report of Governor Shunk of Pennsylvania, January 5, 1848.

Banking.—A theory has been advocated and put into practice in some of the states, called *Free Banking*. It is based, in part, upon specie, and in part upon state stocks, hypothecated with the government. In other words, banks become the creditors of the commonwealth, by purchasing her bonds: these are deposited with the government, and the government endorses, and returns to the bankers, notes prepared for circulation, to an equal amount. I can perceive no grounds for confidence in this system. It must explode, in a country where it is adopted to any considerable extent, whenever a revulsion occurs to test its stability, for it is a deviation from true principles. Sound and safe banking can only be based and conducted on money—*gold and silver*. Neither individuals or banks can lend that which they have not; and if they lend credit in the shape of bank notes, without the means to redeem them in gold and silver, they commit a fraud upon the community, as they lend and put in circulation that which is not money nor the representative of money.

If this system of converting state stocks into banking capital, and hypothecating it as a security for the payment of bank issues, were not a delusion, mortgages upon real estate might be used for the same purpose, which would afford an equal if not a better security, for the payment of notes, and by this process, the whole value of the real estate of the country, might be converted into banking capital, and the people into a nation of bankers. This proposition shows, that the whole scheme is illusory and unsound.

Financial Exhibit.—This presents a very encouraging view of the improving condition of the finances of the state. It is the first time, since the commencement of the internal improvement system, that the permanent revenues accruing within the year, unaided from any other source, have

exceeded or been equal to the demands upon the treasury. It is true, the interest upon the funded debt, and other claims upon the treasury during the two preceding years, including the payment of a portion of the public debt, by the cancellation of relief notes, were punctually paid; but in doing this, the balance which had accumulated in the treasury on the 1st December, 1844, by the previous suspension of the payment of the interest on the public debt for two and one-half years, as well as the amount of taxes then outstanding, were diminished each year until the last, as is particularly explained in my annual messages in 1845 and 1846, to which you are respectfully referred.

An estimate of the receipts and expenditures, for the current year, made with much care, and upon consultation with the other officers of the government, is hereto appended.

M I C H I G A N .

Gov. Ransom's message contains the following exhibit of the public debt of Michigan:

The debt of the state on account of the loan for internal improvement may now be stated thus:

Outstanding full paid five million loan bonds due		
January, 1863,	\$262,000	00
Outstanding "interest bonds" issued on the above,		
due January, '50,	57,587	20
		319,587 20
Amount of principal received on \$3,614,000 part-		
paid bonds now outstanding,	1,145,537	74
Interest on the same to January 1, '48,	524,906	31

1,670,444 05

Amount received from Morris canal assets on account		
of the part-paid bonds with interest to Jan. 1, '48,	30,035	95
		1,700,480 00

Making the total amount received on said bonds, 2,020,067 20

But if from this amount be deducted damages claimed by the state,		
on the unpaid instalments of the loan, at the rate of three per		
cent, as is contemplated by the laws providing for the reception		
of said bonds in payment for the Central and Southern rail		
roads, which with the interest from July 1, '41, to Jan. 1, '48,		
amounting to,		102,984 86

The total indebtedness of the state on account of all for bonds is-		
ssued for the said loan, with interest to Jan. 1, '48, will then be		1,917,132 34

To which must be added for outstanding internal improvement		
warrant and interest thereon, \$365,089 05, for indebtedness to		
the University fund \$79,371 99, and other items constituting the		
domestic debt, which together amount to		473,467 17

And the present indebtedness of the state on account of internal		
provement is	\$2,390,599	51

The total and actual internal improvement debt, January 1, 1848,		1,965,599
--	--	-----------

Debt of the general fund,		325,169
---------------------------	--	---------

Total debt of the state, \$2,290,768, for which it is liable without contingency.

The revenue of the state for the past year was \$185,134, and its expenditures \$165,306, viz.

Legislature,	\$39,373	Executive,	11,597
Judiciary,	8,453	Revised statutes,	6,702
State prison,	36,641	Miscellaneous,	68,000

BANK CIRCULATION.

From the Albany Argus, January 18, 1848.

THE COUNTRY BANKS.—The nefarious attempts of a few designing persons in the city of New York, to create distrust of the currency issued by the country banks of this state, has signally failed.

During the past year, high prices and large purchases of produce, have required an unusual amount of currency. At Cleveland and other wheat markets on the lakes, it has been frequently the case, that the notes of banks which are redeemed in New York or Albany, under the "half-per cent. law," could be exchanged at a premium of one-half or three-quarters of one per cent., for drafts drawn at sight on New York produce commission merchants. Such a state of things could not but create an increased issue of currency under the general banking law of this state, and accordingly we find the names of more than twenty new banks (so called) added to the comptroller's list since January 1st, 1847. That law, which is intended fully to secure the public against loss upon currency issued under its requirements, is not properly guarded against the establishment of banks of circulation merely, which may be located at inaccessible points, and issue paper without other capital than the securities deposited with the comptroller, and without doing the legitimate and proper business of banking.

Many of the banks which have commenced the issue of notes since January last, are of this character, and the public have had frequently to refer to the map without always finding there the names of places from whence apparently emanated hundreds of thousands of dollars currency, and where, it is suspected, it would be difficult to find inhabitants to fill the offices of president and cashier.

The quarterly returns of the banks for November 1st, 1847, published by the comptroller, show an aggregate of \$2,129,604, issued by such banks; of these, three with \$334,022 of notes issued, have lately failed—the remainder having in circulation \$1,795,582—had security for that amount in New York state stocks, less \$64,500 only in bonds and mortgages. Of the state stocks, about one-third were seven per cents. and the remainder five and six per cents. Within the last three weeks, nearly \$400,000 of these stocks have been given up, and a like sum of the notes issued upon them withdrawn from circulation and destroyed. At such a rate of reduction, the danger of further failures among this class of banks, will soon be over; should such failures however occur, no suspicion should be entertained of the solvency of banks regularly established and pursuing legitimate business. They were never in a safer condition or under more prudent management than at present, and if a decline in prices of produce, and diminution of the demand for currency, should cause a resort to the securities in the comptroller's hands for the redemption of the issues of the whole tribe of banks of circulation only, it will be but the necessary and healthy operation of an inevitable law, which will, under like circumstances, always curtail a redundancy of paper money, and take effect first upon that not issued in legitimate banking transactions, but kept afloat merely by an accidental or unusual state of business operations; and as has been shown in the preceding statement, this irregular currency is so fully secured by the stocks of this state, that in any event, the loss upon it will be inconsiderable.

[In connection with this, we now append an account of a run upon the Canal Bank of New Orleans. This is another evidence of the ease with which a community may be excited and alarmed by noisy and idle persons.—*Ed. B. M.*]

CANAL BANK OF NEW ORLEANS.—On the 6th of January a run was made on the Canal Bank of New Orleans.

During the day the bank not only redeemed its own notes in gold and silver, but the notes of all the city banks that were presented. The paying tellers were reinforced by other officers in order to despatch business, and no delay was experienced by any of the bill holders. As fast as they came they were accommodated. At 6 o'clock the bank had exchanged specie for notes to the amount of about \$120,000. The bank was open up to that hour, but for an hour before no demand had been made for coin. How the "run" was brought about no one knows, but at daylight in the morning it was reported at the market places that the bank had stopped.

The bank had in specie, on yesterday, \$1,877,117 against \$1,286,260 in circulation. Making an excess of specie over circulation of \$590,857.

The short business paper and exchange in the vaults of the bank amount to over \$3,500,000, against a little over two million of deposits.

So little effect had the run in weakening the bank among our business men, that during the day the deposits amounted to near two hundred thousand dollars more than the specie taken from its vaults.

The Commercial Times, in connection with the excitement, makes the following statement:

The Canal Bank recently drew two checks for \$5,000 each on the Merchants' Bank of Boston, having ample funds maturing from day to day to meet a much larger amount; but as the bank was not actually in funds that very day, they refused to honor the drafts. The fact was immediately communicated by telegraph to the agent of the Canal Bank at New York, and in fifteen minutes \$30,000 were placed to the credit of the Bank at Boston, and the checks of course instantly paid.—*Picayune*.

New Orleans Canal and Banking Company, January, 1848.

<i>Assets.</i>	<i>Total amount.</i>
Capital of the branches.....	\$ 916,368 43
Real estate.....	447,762 85
Cost of canal, basin, road, &c.....	1,230,481 96
Protested paper, old account.....	124,085 38
Notes and bills due within 90 days.....	2,428,519 71
Bills receivable, falling due after 90 days.....	120,964 49
Loans on pledge of the stock of the bank.....	5,530 00
Domestic exchange.....	574,779 24
Foreign do.	293,598 36
Specie.....	1,877,117 85
Total resources,	\$8,019,208 27
<i>Liabilities.</i>	<i>Total amount.</i>
Capital stock, \$4,000,000 paid in.....	3,999,750 00
Cancelled, 8,210 shares.....	821,000 00
Balances in favor of distant banks for collections.....	100,363 39
Deposits payable on demand.....	2,864,741 81
Circulation—old issue.....	9,210 00
“ new issue.....	1,277,050 00
Dividend No. 32—on 31,785 shares, at \$ 3 per share...	95,355 00
Profit and loss account.....	993,738 07
Total liabilities,	\$ 8,019,208 27

ENGLISH MONEY MARKET.

At the close of the year, 1847.

Baring's circular of the 31st December, says:—

American stocks have not been, during 1847, in any demand for English investment. The large issues of railway shares and bonds here, and the loan for this government of 8 millions sterling, have absorbed the attention and means of capitalists and other individuals, whilst the repeated recurrence of money pressure has been unfavorable to the prices of all securities. The demand for remittance to the United States has, however, relieved this market of large amounts of stock, chiefly Ohio, Pennsylvania, Indiana, and Illinois. The stocks of New York, Kentucky, and Tennessee, have been comparatively scarce. The Union Bank of Louisiana has re-paid this year, \$1,750,000, and New York has reimbursed some small loans when due, whilst the only amounts drawn from Europe are the comparatively inconsiderable instalments for Illinois and Indiana, so that the debt of the United States to Europe must have been much reduced this year, and although there is no active business, there is not much stock offered for sale. The resumption of the payment of the Maryland dividends in full, and of a small interest on Indiana and Illinois stock, are favorable features. Our prices will, however, be regulated by those in the United States, where the wants of the general government must, of course, have a considerable influence. We quote, as well as we can, our nominal prices:

	1846.	1847.
Alabama 5's, 1863.....	58 62 }	
Ditto sterling, 1858.....	60 64 }	54 58
Illinois 6's, 1860.....	27 29	30 32
Ditto sterling.....		
Indiana dollar and sterling.....	26 28	28 30
Kentucky 6's, 1868.....	86 89 ex div.	85 87
Louisiana 5's, U. Bk. in equal series.....	80 82	77 80
Massachusetts 5's, sterling.....	100 102	90 92
Maryland 5's.....	61 65 ex div.	63 65
Michigan.....		25 30
Mississippi 6's, Planters Bank.....	45 50	50
Ditto Union Bank.....	18 22	20
New York State 5's..	86½ 90 ex div.	86 88
Ditto city 5's.....	82 85	83 86
United States bank shares.....	12s 14s	10s 12s
Ohio 6's.....	81 85 ex div.	81 84
Pennsylvania 5's.....	63 65	63 65
South Carolina 5's, sterling 1866.....	82 85 ex div.	78 80
Ditto 1858 to 1868.....	86 90	84 88
Tennessee 6's.....	86 90	84 87

LONDON, JANUARY 1.—The amount of railway bills for the month of January, is £4,677,075; which is a million and a half below that of January last, but £1,360,000 above the monthly average of 1847.

Our last advices were dated 17th Dec., and owing to the intervention of the Christmas holidays, we have had very little doing in market since. Money is again easier, the Bank of England on 23d Dec., having reduced their *minimum* rate of discount to 5 per cent. By the last return, their stock of bullion was £11,991,376, with a reserve of bank notes of £7,551,140, and in circulation £18,758,255.

Rather better accounts on the whole from the manufacturing districts,

but our progress towards improvement is extremely gradual, low prices having hitherto had no effect in inducing operations beyond immediate requirements.

LIVERPOOL, DECEMBER 31, 1847.—Since our last circular of 17th inst. the Bank of England has reduced its minimum rate of interest to 5 per cent. and legitimate business paper of the first character at from two to four months is readily discounted at from 5 to 6 per cent. The great curtailment of engagements going on for some time past, has much reduced demand for discounts, without, however, materially increasing the facilities for holding produce, from the distrust which still prevails and the continued suspension of speculative operations. Confidence so greatly impaired, can only revive very gradually, and bankers and capitalists act cautious. From the diminished revenue of the country, there is reason to apprehend that the government may require advances from the Bank of England in April, and bankers manifest a determination to guard themselves against some return of the money pressure after the month of March.

The annexed table exhibits the number and estimated amount of liabilities involved, which have been reported since the 1st of August last:

Mercantile Failures in Great Britain, August 1st to December 11, 1847.

	No.	Amount known.
August.....	17	£ 2,408,858
September.....	20	5,745,854
October.....	22	4,411,075
November.....	35	2,854,464
December.....	12	898,000
Totals.....	104	16,381,251
	81 not known, say.....	4,050,000
	7 banks, do. do.....	2,368,251
Grand total.....	192	£22,799,502

This is for Great Britain and Ireland alone. The failures from December 11th to January 1st, will swell the list to more than two hundred, and the amount to more than £24,000,000, equal to over one hundred and twenty millions of dollars.

From Willmer & Smith's European Times.

THE NATIONAL CIRCULATION.

The amount of gold and silver coin held at the head offices of the several banks during the past month has been as follows:—

Gold and silver held by the Irish banks,	£ 1,590,770
Gold and silver held by the Scotch banks,	1,133,431

Total of gold and silver coin, £ 2,724,201

The comparative circulation of notes for above and under £ 5 each during the past month has been as follows:—

	Above £5.	Under £5.	Total.
In Ireland,	£ 2,597,237	£ 2,725,502	£ 5,322,739
In Scotland,	1,143,241	2,589,241	3,732,482
Totals,	£ 3,740,478	£ 5,314,743	£ 9,055,221

The following statement will show the position of the currency when compared with the same period last year:

<i>Banks.</i>	Dec. 5, 1846.	Dec. 4, 1847.	Decrease.
Bank of England.....	£20,118,128	£19,275,264	£842,864
Private Banks.....	4,598,194	3,698,050	900,144
Joint-stock Banks.....	3,188,675	2,576,770	611,905
Total in England.....	27,904,997	25,550,084	2,354,913
Scotland.....	3,996,861	3,732,485	264,376
Ireland.....	7,839,540	5,322,741	2,516,799
United Kingdom.....	£39,741,398	£34,605,310	£5,136,088

Thus showing a decrease of £2,354,913 in the circulation of notes in England and a decrease of £5,136,088 in the circulation of the United Kingdom, when compared with the corresponding period last year.

The average stock of bullion held by the Bank of England in both departments during the month ending the 4th of December was £10,210,255, being an increase of £1,732,301 as compared with the preceding month, and a decrease of £4,735,628, as compared with the same period last year.

The stock of specie held by the Scotch and Irish banks during the month ending the 4th of December was £2,724,201, being an increase of £71,615 as compared with the return of the previous month, and a decrease of £1,210,031 as compared with the corresponding period last year.

RESTITUTION OF A LARGE SUM.—We are authorised to state that the bank-notes and checks, to the value of £7,866 0s. 7d., stolen from the clerk of Messrs. Strachan, Paul & Co., in February last, have been sent back to the banking-house, in a parcel, containing the identical notes and checks, with the exception of one country bank note of the value of £5.

EXCHANGE HOURS IN LONDON.—In consequence of the new system promulgated by the post-office regarding the despatch of the foreign mails, one of which, on and after the 1st of January, will be made up each day at the same hour as the country mails, a resolution has been agreed to by the leading merchants, that, from the commencement of the year, 'change hours on Tuesdays and Fridays shall be from 2 to 3 o'clock, instead of from 3 to 4, as at present.

NEWSPAPERS AND RAILWAYS.—The sale of newspapers and periodicals at the different rail way stations in London is becoming so profitable that the companies now exact a rent from the venders for the privilege. It is said that the sale of papers and periodicals at the London-bridge station returns a profit of ten guineas a-week, and that the directors have put the privilege up to competition at a high figure. The rent payable for this privilege at the Euston station is at the rate of £60 per annum, though, until lately, the privilege was accorded free of payment.

The money market has continued to improve since our last. The Bank of England, on the 23d ult., reduced the rate of interest down to 5 per cent.; and the facilities of discount of good paper have become greater. This step of the Bank of England has been much commented upon as tending to revive undue speculation by making money cheap; but, as we have repeatedly said, the bank, in the present case, exercised no voluntary action in the matter, as their discount business, which, during the excessive high price of money, absorbed nearly the whole requirements of the country by re-discount, now, as the rate of money falls, leaves them, and is again resumed by the private bankers throughout the kingdom, who are, in fact, at this moment discounting paper at half or one per cent. lower than the Bank of England.

BIOGRAPHICAL SKETCHES.

[From the Gentlemen's Magazine.]

NATHAN MAYER ROTHSCHILD.

Died.—At Frankfort on the Maine, July 28, 1836, in his 60th year, Nathan Mayer Rothschild, Esq. of London, the greatest millionaire of the present or probably any other age.

The founder of the house of Rothschild, Mayer Anselm, was born at Frankfort, in the most vile part of that city, called the Jews' alley, which is still separated from the remaining part of the town. He was brought up with the view of making him a priest. He studied with great application, and soon became one of the most learned archæologists. However, his father, contrary to his inclination, placed him in a counting house in Hanover. Mayer Anselm, although he did not renounce his taste for science, executed his commercial duties with skill and success. The Landgrave, since Elector of Hesse, tried his intelligence and his probity; he trusted several important affairs to him, and appointed him in 1801 banker to his court. He had not placed his confidence in vain; for he was repaid by immense services. During the domination of Napoleon in Germany, his private fortune was saved by the devotedness of his banker. At the same time the house of "Rothschild" became one of the most celebrated in Germany.

Mayer Anselm died in 1812, leaving for inheritance to his sons not only an immense fortune and unbounded credit, but also the example of his life and wise counsels, which have been religiously followed. He especially recommended them to remain united, and it is sufficiently known that they have followed his advice. The five brothers have taken part in most of the great financial affairs of Austria, of France, of England, and of almost every country. They have formed among themselves an invincible phalanx.* By themselves, or by their agents, they have exercised a great control over the principal places in Europe, and, faithful to their habit, never to undertake anything separately and to concert all their operations, they have followed one unvaried and identical system. Their power was such, that at one time they were free to make either peace or war. Mr. Nathan Mayer of London, was considered the chief of the family, although he was not the eldest. His brothers and nephews bore to him an almost filial respect. The five houses were conducted nearly in common, except that in London, which was under the exclusive direction of its nominal chief.

Of his father's ten children, eight survive—the four brothers and four sisters. Their mother is also living; and she continues to inhabit the Jews' quarter at Frankfort; she loves her miserable people, and besides her benevolence, the sole thing which distinguishes her is the privilege which she reserves to herself to put clean curtains every month to her windows. She only leaves her habitation to visit the gardens of Anselm, her eldest son. She is proud of her children, proud of their wisdom, of their great fortune, and, we may say, of their glory—the mother of the Rothschilds may be paralleled with the mother of the Buonapartes.

* Their names are, 1. Anselm, settled at Frankfort; 2. Solomon, who has divided his residence between Berlin and Vienna, but chiefly at the latter place; 3. Nathan Mayer, at London; 4. Charles, at Naples; and 5. James, or Jacob, at Paris. The last is much the youngest; and his wife, the Baroness, is daughter of his second brother Solomon, who is nearly eighteen years his senior.

The rise of Rothschild's fortune is all within the present century, and it did not make any decided progress till some time after it had commenced. It was not until the breaking out of the war in Spain, in 1808, that his extraordinary means, which were displayed in making the remittances for the English army in that country, were developed to any extent, so as to be known to the mercantile world in general. He came to England in 1800, where he acted as agent for his father in the purchase of Manchester goods for the continent. Shortly afterwards, through the agency of his father, for the elector of Hesse Cassel, and other German princes, he had large sums placed at his disposal, which he employed with extraordinary judgment, and his means went on at a rapid rate of accumulation. His youngest brother, James, then coming to reside in Paris, Mr. Rothschild was induced to fix himself permanently in London, where he has ever since remained.

His financial transactions pervaded the whole of the continent, and exercised more or less influence on money business of every description. No operations on an equally large scale have existed in Europe previous to his time. Besides the essential co-operation of his brothers, he had agencies in almost every city either in the old or the new world, all of which, under his directions, conducted extensive business of various kinds. He had also, as well as his brothers, hosts of minor dependent capitalists, who participated in his loans and other extensive public engagements, who placed implicit confidence in the family, and were ready at all times to embark with them in any operation that was proposed. Nothing, therefore, was too great or extended, provided the project was a reasonable one for him, to undertake. Within the last fifteen years, the period during which his character for sagacity may be said to have been fully established, there has been, in fact, no limit to his means, taking the indirect as well as the direct means into account. All the brothers of Mr. Rothschild are men of great capacity and knowledge of business, but it is generally admitted that they deferred to his judgment in all their undertakings, and that he was the moving principle of the great mass of capital they represented. Mr. Rothschild may be said to have been the first introducer of foreign loans into this country; for though such securities did at all times circulate here, the payment of the dividends abroad, which was the universal practice before his time, made them too inconvenient an investment for the great majority of property to deal with. He not only formed arrangements for the payment of the dividends on his foreign loans in London, but made them still more attractive by fixing the rate in sterling money, and doing away with all the effects of fluctuation in exchanges. All these operations were attended with a most remarkable degree of good fortune; for, though many of the countries which made loan contracts in this country became bankrupt, not one of those with whom Mr. Rothschild entered into contracts ever failed in their engagements. For this he was indebted occasionally as much to his own good management afterwards, as for his judgment in the original selection. If the dividends were not ready at the time appointed, which was the case in some few instances, his resources always enabled him to make the requisite advances, while his influence and perseverance afterwards uniformly enabled him to recover the money which had been advanced. Whatever may be said, therefore, of the ruinous effect of foreign loans, cannot with any justice be charged on Mr. Rothschild; on the contrary, they have proved to be the source of great national profit, as nearly all the stocks of the continental powers originally created here, have passed over for investment in the countries for which they were raised, at an advance of twenty or thirty per cent. or more, on the contract price. Besides his loan contracts, Mr. Rothschild was a purchaser and a large dealer in all the pre-existing European government securities.

Stock of any description, however unmarketable elsewhere, could always be bought or sold at his counting-house, and at fair prices. Besides his contracts with foreign governments for loans in money, he entered into numerous others, for conversion into stocks bearing a lower rate of interest, and had various projects for further reduction under consideration at the time of his death, which he probably was alone able to carry through, and which will therefore fall with him.

Mr. Rothschild's loan contracts were not uniformly successful in the first instance. He was exposed to several very severe reverses, which would have proved fatal to houses of inferior means. One of these was Lord Bexley's loan or funding of exchequer bill in a $3\frac{1}{2}$ per cent. stock, the first of that denomination introduced into the English market, and by which alone he is said to have lost 500,000*l*. At the time of the Spanish invasion by France, in 1823, he was largely engaged in the French loans of that period, by which he was placed in great jeopardy; but, his resources enabling him to hold the stock, he came off ultimately without loss. The same cause shook violently the contracts with other European states then in progress in this market, and the stock of Naples in particular underwent so severe a depression that most of the subscribers, after the deposit, refused to go on with instalments. The London house was left, in consequence, to bear the whole weight of that contract.

Another event by which he was exposed to great danger was the project of M. de Villele for the conversion of the rentes. Fortunately for him, the measure was lost by a single vote in the chamber of peers; but had it been carried, the convulsion in the money markets of Europe which shortly followed it, would probably have proved fatal to him with such a burden on his shoulders, notwithstanding all his vast resources. Indéed, it was a common remark of his own at the time, that neither he nor the houses engaged in the undertaking with him, could have stood the shock.

Another most perilous contract for Mr. Rothschild was the 4 per cent. French loan made with M. de Polignac, just previous to the "three days," and which fell afterwards 20 or 30 per cent. or more. In fact, the stock was for some time in such bad odor, that no purchasers could be found for it. This contract was more detrimental in proportion to his subscribers than to himself, as the greater part of it was distributed among them, and it was at the time a matter of severe reproach against him that he did on this occasion leave his friends completely in the lurch. But this was answered by the remark that he had always been in the practice of dealing liberally with his subscribers in sharing his contracts among them, and that the revolution which followed and made this so ruinous an operation, was one that could not possibly have been foreseen by him. Since that period he has been in a constant course of successful operations, with the exception perhaps of that in Portuguese stock, which, however, was to him of very small amount and consideration.

Mr. Rothschild's great success in loan operations made it a matter almost of rivalry with all those states who wanted to borrow money, to obtain his co-operation. He uniformly refused, however, to enter into any such contracts for Spain, or the American states, previously the colonies of Spain. He contrived literally to steer clear of all the bad bargains which were made during the fifteen years, which may be called the zenith of his career as a banker and financial merchant.

Mr. Rothschild also avoided with great care the numerous joint stock companies which had their rise and fall in his time. He might be said, however, to take the lead in their formation, by the introduction of the Alliance Insurance Company, which took place in 1824, just before the general

mania, and which was peculiarly successful; but, with that exception, we are not aware of any in which he has been directly engaged.

Mr. Rothschild's operations in bullion and foreign exchanges have been on a scale probably little inferior to his loan contracts, and, devolving wholly upon himself and the family circle of his transactions of a similar kind, have formed, we suspect, a still more important feature in his general scale of profits. They continued at all times, and under all circumstances, and were subject to none of those reverses which occurred in his foreign loan contracts. His management of the business in exchanges was one of the most remarkable parts of his character. He never hesitated for a moment in fixing the rate, either as a drawer or a taker, on any part of the world; and his memory was so retentive, that, notwithstanding the immense transactions into which he entered on every foreign post day, and that he never took a note of them, he could dictate the whole on his return home with perfect exactness to his clerks. His liberality of dealing was another conspicuous feature of these operations, and many merchants whose bills were objected to elsewhere found ready assistance from him, and his judgment was proved by the very small amount of loss which he incurred in such liberality. To this class at any other time his death might have been productive of considerable embarrassment; but as trade is prosperous, and the state of credit good, little inconvenience is anticipated. This is under the supposition, too, that the business would now cease; but it is to be continued under the management of his sons, who have been for some time attached to the house, and have acquired, notwithstanding their immense prospects in point of wealth, the habits of the best trained commercial men.

Mr. Rothschild married in 1806, Hannah, third daughter of Mr. Levi Barnett Cohen, a merchant in London, who is said so little to have anticipated the success in life of his future son-in-law, that he entertained some doubts about the prudence of the match. These doubts were infused by some malicious persons long after Mr. Rothschild had become an accepted suitor, and he was desired in consequence to produce testimonials as to his worldly means. The whimsical answer was, that, whatever number of daughters Mr. Cohen possessed, he could not do better, as far as money and good character went, than give them all to Nathan Mayer Rothschild. Mrs. Rothschild, who survives, and whose talents in calculations and accounts have made her a true helpmate for her husband, was the mother of four sons and three daughters. The eldest daughter is married to a son of baron Anselm Rothschild, of Frankfort; and it was the marriage of the eldest son, Lionel, to a daughter of baron Anselm, that called the deceased to Frankfort, in July last, [1836.]

Like the rest of his brothers, Mr. Rothschild held a patent of nobility; with the title of baron, but he never assumed it, and was more justly proud of that name under which he had acquired a distinction which no title could convey.

He was attacked with illness some weeks before his death. He had a strong presentiment, it is said, that he should not return alive to this country. A suggestion was circulated, that better surgical assistance than that which was to be found on the spot might have saved him; but professor Chelens, of Heidelberg, who attended him throughout his illness day and night, is a man too celebrated and too well known to require any observations. Mr. Traver's attendance was principally desired on account of his long acquaintance with, and knowledge of, the constitution of the deceased. He arrived only two days before his death.

The corpse of Mr. Rothschild, attended by the whole of his family, with the exception of his son Nathan, arrived in the river at London on the 4th August, and was conveyed to his house in New-court, St. Swithin's-lane.

The funeral took place on Monday, August 8. At a few minutes past one o'clock the remains were removed in a hearse drawn by six horses, which drew slowly into King William-st., at the head of thirty-six mourning, and forty-one private carriages; among the latter of which were those of the Austrian, Russian, Prussian, Neapolitan, and Portuguese ambassadors; lord Dinorben, lord Maryborough, the lord mayor, sheriffs, and many of the aldermen of the city of London. In the first coach next to the hearse, were the four sons of the deceased as chief mourners; and in the other mourning coaches that followed, were the relatives and friends of the family. The procession moved into Cornhill, where the crowds were so great that it was with some difficulty the police could make a sufficient space for it to pass. On reaching White-chapel church, the children belonging to the Jews' Orphan School in Bell-lane, and to the Free School and Jews' Hospital in Mile End-road, joined the procession, which continued to move slowly until the hearse drew up at the north entrance of the burial-ground belonging to the great German Synagogue in Duke's place. Mr. Aarons, the minister of the burial-ground, performed the Hebrew service, and Dr. Solomon Herschell, the high priest or rabbi, delivered in the English language, a most feeling and eloquent address. In observing on the generosity and benevolence of the deceased, Dr. Herschell said, that, independent of his subscriptions to almost every public charity, both Jew and Gentile, Mr. Rothschild had, from time to time, placed in his (Dr. Herschell's) hands many thousands, to be devoted by him in charity to needy and deserving objects. The body was then removed towards the grave, which is near the north-west corner of the burial-ground. The outer coffin, of fine oak, was of considerable size, somewhat different in shape to those made in this country, and so handsomely carved and decorated with large silver handles at both sides and ends, that it appeared more like a cabinet or splendid piece of furniture than a receptacle for the dead. A raised tablet of oak on the breast was carved with the arms of the deceased. The four sons, in performing the last melancholy ceremony of throwing three handfuls of earth into the grave, were very much affected. The friends of the deceased, among whom were Mr. Montefiore his brother-in-law, Mr. Samuels, a fine old gentleman of ninety-six, and others, went through a similar ceremony, after which the grave was filled in, and covered with a large piece of granite, prepared for the purpose.

On the Sabbath following, August 13, the four sons attended at the synagogue in Duke's place, and after the service, severally made "offerings," for the benefit of the different charities belonging to the synagogue, amounting altogether to two hundred guineas. Mr. Montefiore also gave fifty pounds, and other relatives different sums for the same object.

Mr. Rothschild's will furnishes no statement of the amount of his property, nor of the securities in which it is invested; so that upon that point public curiosity will remain ungratified. There are eight executors appointed; namely, the four brothers of the deceased, Mrs. Rothschild, one of his sons, his son-in-law, and Benjamin Cohen, his brother-in-law. The executors are strictly prohibited from prying into or interfering with anything in their official capacity beyond the line of their prescribed duties as administrators. The testator had given to each of his sons on their coming of age 25,000*l.* which the will directs shall be made up to 100,000*l.* in each case; the eldest son, lately married to his cousin-german, having already received his amount in full. The business is left to three sons that are now of age, without any distinction or preference, and the youngest son, not yet of age, is in every respect to be placed on the same footing with his brothers on reaching his majority. The three daughters of the testator are also each to

have 100,000*l.*; this sum being already paid to the eldest, married to her cousin. The two youngest, yet unmarried, to have the same sum paid, provided they marry with the consent of their mother and brothers, and not otherwise. If they remain unmarried, they are to have 50,000*l.* each on reaching the age of twenty-five, and on arriving at forty they are to have the other 50,000*l.* and no reversionary claim whatever on the residue of the property. The will throughout expresses the warmest affection for, and places the most unbounded confidence in, Mrs. Rothschild. She is secured an annuity of 20,000*l.* clear of all incumbrance, during her life, the town-house in Piccadilly and the country-house at Gunnersbury, with all their appurtenances, without any condition. The possibility of her again marrying is not once glanced at. The will declares that the testator had an interest in all the houses conducted by his brothers on the continent, and that they have a reciprocal interest in the house conducted by him in London; that the joint business shall in future be carried on as heretofore by his sons, in conjunction with their uncles, for five years certain from his demise; that the sons shall be guided by the advice of their uncles, and enter into no new undertaking on their own account, without previously advising with, and obtaining the consent of, their mother.

The testator has bequeathed nothing to public charities, servants, or dependents. He has entrusted the whole of this arrangement to Mrs. Rothschild, to act upon her discretion, without any control from the other executors; there are very few legacies under the will, and the principal one is 10,000*l.* to his brother-in-law and executor, Mr. B. Cohen, with about 500*l.* to each of the testator's sisters, and a few small sums to others, not exceeding in the whole 15,000*l.* to 16,000*l.* Tokens of remembrance to other friends and relations he leaves entirely to the discretion of Mrs. Rothschild. There are a few other minor matters embraced in the will, but they are of no importance to the public. As we have above observed, the document breathes throughout the strongest feeling of affection for Mrs. Rothschild, whom the testator describes as being in the strictest sense a participator in all his joys and sorrows from the first day they had been joined together.

There is a very characteristic whole length portrait of Mr. Rothschild, etched by Dighton; the "shadow of a great man," recently published, is also a close resemblance.

BARON ROTHSCHILD, M. P. for London.—The election of this gentleman to the present parliament has given rise to a debate upon the political disabilities of the Jews.

The debate was opened by lord John Russell in an able oration; and his lordship was seconded in a maiden speech by Mr. Fox, the popular and celebrated Unitarian preacher. Mr. Gladstone also supported the motion, as well as Mr. Romilly and Mr. D'Israeli. It was of course opposed by the consistent champion of the church, sir Robert Inglis, who was seconded by lord Ashley, Mr. G. Banks, Mr. Goulburn, and sir Thomas Acland. After an interesting debate, on the motion of Mr. Law, the recorder of London, the debate was adjourned. It is the general impression out of doors, that a considerable majority in the commons will be in favor of relaxing the laws so as to enable Jews to sit in parliament; but the hitherto unsuccessful attempts to pass a similar bill through the house of lords, make us still doubt whether that assembly will, as yet, consent to "un-christianise" the parliament.

STATE FINANCES.

NEW YORK.

Extracts from the Annual Report of the Comptroller of the State of New York, December 31st, 1847.

The funds of the state are as follows:—

1. The general fund for the support of government.
2. The common school fund.
3. The literature fund.
4. Funds of the several canals, ten in number.
5. The U. S. deposit fund, of which the principal is \$4,014,520 71. Its revenue is annually distributed for the use of colleges, academies, common schools, normal schools, medical schools, Indian schools, and schools for the special education of colored children; and \$25,000 is annually taken from this revenue and added to the capital of the common school fund.

The funds held in trust by the state are

1. The bank fund. (The safety fund.)
2. Security for notes of free banks.
3. The mariners' fund, (tax on passengers.)
4. Sinking fund of Auburn and Rochester R. R. Co.
5. Sinking fund of the Touawanda R. R. Co.
6. Sinking fund of Hudson and Berkshire R. R. Co.
7. Sinking fund of Tioga Coal, &c. Co.
8. Sinking fund of Long Island R. R. Co.

All the expenditures for ordinary support of government are chargeable to the general fund. It yielded in 1814 a revenue upon its capital of \$4,396,943 97. In 1825, \$1,500,000 of its capital was applied to the payment of a debt of that amount. From 1816 to 1826, the treasury was aided by a direct tax, amounting in the aggregate to \$3,059,126. But from 1817 to 1836, the general fund was deprived of the revenues arising from auction and salt duties, which for about eighteen years, were yielded up to the Erie and Champlain canals, and contributed \$5,647,497 11 to the canal fund. Large sums were subsequently transferred to the school and literature funds, and in 1832 an act was passed authorising the sale of the securities belonging to the general fund and the use of the proceeds for the support of the government. In this way its entire capital was exhausted in 1835, and its resources were reduced to a few miscellaneous items of revenue, not exceeding, in the aggregate, \$60,000 per annum.

In 1835, the new constitution restored the auction and salt duties, and in the same year provision was made to pay \$300,000 to the treasury annually out of the canal fund. These arrangements gave the general fund an income of about \$650,000 per annum, but the deficiencies in the revenues of the lateral canals, chargeable upon it, and the failure of four rail road companies to make good their loans of \$365,700, have not only consumed the whole fund, including the proceeds of a state tax since 1842, of nearly two millions of dollars, but have left it with a debt of \$6,139,840 82, the interest of which is nearly equal to the whole amount of the sinking fund for the payment of this debt.

Payments from general fund, including principal and interest of debt,	
year ending Sept. 30, 1848,	\$1,178,122 50
Receipts, including sinking fund of \$350,000,	1,177,383 01

Excess of expenditures,	739 49
-------------------------	--------

That portion of the sinking fund which was received in bank fund stock (\$116,666 66) being for one-third of the fiscal year ending on the 30th September, 1846, is not included in the preceding statement. This sum, although it is the product of the sinking fund for the third of a year, from the 1st of June to the 30th of September, 1846, has been received within the last year, and is now on hand, applicable to the payment of the debt.

Funds Devoted to Education.

These funds are as follows:

	Capital.	Ann. Int.
Common school fund,	\$2,170,514 47	\$131,554 21
United States deposit fund,	4,014,520 71	262,370 76
Literature fund,	265,306 78	17,335 65
	<hr/>	<hr/>
	\$6,450,341 96	\$411,260 62

In addition there have been paid this year,

For instruction of deaf and dumb,	\$25,910 03
Do. do. blind,	17,483 66

This makes a total sum paid during the year, for the purposes of education of \$454,609 31.

The payments from the United States deposit fund last year were \$263,653 98. This year, the comptroller thinks, they should not exceed \$250,000.

Canal Funds.

	Cost.	Tolls for Fiscal Year.
Erie canal,	\$7,143,769 86	
Erie enlargement,	12,989,851 76	\$3,249,478 11
Champlain canal,	1,257,604 26	110,794 21
Oswego canal,	565,437 35	74,388 04
Cayuga and Seneca canal,	237,000 00	27,877 68
Crooked Lake canal,	156,776 00	1,871 47
Chemung canal,	648,600 58	14,973 56
Chenango canal,	2,420,000 00	26,103 62
Black River canal,	1,564,000 00	
Genesee Valley canal,	3,885,000 00	25,251 74
Oneida Lake canal,	50,000 00	518 81
Oneida river improvement,	69,276 13	126 65
Seneca river towing path,		367 35
	<hr/>	<hr/>
Total expenditures,	\$30,987,335 94	\$3,531,771 24
		<hr/>
Nett revenue,		\$2,888,005 16

Equal to nine and three-tenths per cent. on cost of construction.

In addition to the amount expended in constructing canals, the state has issued stock and loaned it, to railroads, to the amount of \$5,228,700, of which there has fallen on the treasury in consequence of the failure of four of these companies, the sum of \$3,665,700. If this be added to the capital expended in constructing canals, it makes an aggregate of \$34,653,035 94, applied to internal improvements by the state. The amount paid, annually, from the state treasury on account of interest on loans to insolvent railroads, is \$200,236 50.

Debt of the State.

	Am't of Principal.	Ann. Interest.
J. J. Astor, 5 per cent. stock,	\$561,500 00	\$28,075 00
For loans from bank fund, 5 per cent.	348,107 00	17,405 35
For Ithaca and Oswego R. R. 4½ and 5½ pr. ct.	315,700 00	14,486 50
For Canajohaire and Catskill railroad, 5 pr. ct.	200,000 00	10,000 00
For N. Y. and Erie R. R. 4½, 5½ and 6 pr. ct.	3,000,000 00	167,500 00
For Hudson and Berkshire railroad, 5 pr. ct.	150,000 00	7,500 00
Indian annuities, 6 per. cent.,	122,694 87	7,361 69
Temporary loans to treasury,	613,099 51	36,875 18
Balance due specific funds, 6 per cent.	828,739 44	49,724 37
	<hr/>	<hr/>
	\$6,139,840 82	\$338,928 09

Debts of the Several Canals.

At 5 per cent.	\$11,515,897 57	\$575,794 88
At 6 per cent.	1,781,782 00	106,906 92
At 7 per cent.	3,441,880 00	240,931 60
	<hr/>	<hr/>
Total debt of canals,	\$16,739,559 57	\$923,633 40
Treasury debt (from above)	6,139,840 82	338,928 09
	<hr/>	<hr/>

Aggregate, \$22,879,390 39 \$1,262,561 49

The aggregate debt of the state, direct and contingent, is \$24,446,590 39. This does not include the sum of \$4,014,520 71, deposited by the United States government in the treasury of this state, for safe keeping.

Condition and Progress of the State Debt.

The Erie and Champlain canals were completed in 1825, at an expense for construction of \$8,401,394 12; and leaving an outstanding debt at that time of \$7,737,770 99. This was the only debt then existing against the state, the general fund debt having been extinguished previous to 1825.

The following statement shows the character, condition and progress of the state debt of every description, for a period of twenty-one years :

Year.	Contingent Debt.	Gen'l Fund Debt.	Canal Debt.	Aggregate State Debt.
1826....	.....	.....	\$7,844,770 99	\$7,844,770 99
1827 ...	\$500,000 00	.....	7,750,155 99	8,250,155 99
1828....	500,000 00	.....	7,940,155 99	8,450,155 99
1829....	810,000 00	.....	7,706,013 00	8,516,013 00
1830....	810,000 00	.....	7,825,035 86	8,635,035 86
1831....	810,000 00	.....	8,055,645 86	8,865,645 86
1832....	810,000 00	\$561,500 00	8,055,645 86	9,427,145 86
1833....	810,000 00	644,649 83	6,673,006 29	8,127,656 12
1834....	810,000 00	739,526 01	7,034,999 68	8,584,525 69
1835....	810,000 00	868,979 02	6,328,056 19	8,007,035 21
1836....	810,000 00	868,979 02	6,326,806 73	8,005,785 75
1837....	810,000 00	978,032 43	6,166,082 02	7,954,114 45
1838....	1,497,700 00	1,148,132 43	9,308,120 41	11,953,852 84
1839....	1,847,700 00	1,892,217 92	10,785,820 08	14,025,738 00
1840....	2,845,700 00	1,412,961 92	14,126,647 76	18,385,309 68
1841....	4,235,700 00	1,418,878 92	16,306,374 48	21,960,953 40
1842....	1,720,000 00	5,559,805 79	19,574,392 45	26,854,198 24
1843....	1,720,000 00	5,423,415 33	20,392,324 18	27,535,739 51
1844....	1,720,000 00	5,634,507 68	20,713,905 58	28,068,413 26
1845....	1,713,000 00	5,885,549 24	19,690,020 77	27,298,570 01
1846....	1,713,000 00	5,992,840 82	17,028,240 13	24,734,080 95
1847....	1,568,000 00	6,139,840 00	16,743,749 00	24,446,590 39

Although the increase of the state debt makes an annual draft of \$1,650,000 on the canal revenues, there is still left a surplus of nearly a million of dollars for the fiscal year ending on the 30th of September last, to be applied to the enlargement of the Erie canal, and the prosecution of other canals named in the constitution. There has already been realized \$1,419,423 75, in the months of September, October and November, which goes into the revenue of the next fiscal year, and indicates a surplus as large as that for the last year. The faithful application of these accruing revenues at the points where the business of the canals is most pressing, will furnish ample accommodations for it, and when the debt is paid, and the tolls reduced, will effectually secure the continuance of the trade, in defiance of all competitors.

The Sinking Funds and the Payment of the Debt.

The amount of principal and interest payable on account of the canal and general fund debts from the 30th of September, 1847, to the 30th of Sept. 1849, is as follows:

Canal debt,	\$5,434,294 74
General fund debt,	997,842 45
Total for two years,	\$6,432,137 19

The following sums are applicable to the payment of this debt, viz.

Balance of sinking funds of 1847,	\$ 374,521
Canal debt sinking fund for 1848 and 1849,	2,600,000
Tax of 1-10 mill for 1845,	58,217
“ “ 1846,	61,193
Treasury sinking fund for two years,	700,000 3,793,931 00
To be provided for,	\$2,638,206 19
Of the stock payable in 1848,	1,584,736 00
There has been redeemed to 30th November,	346,006 00

Leaving outstanding, November 30th of this stock,	\$1,238,730 00
Applicable to the redemption of the original debt, we have	
the balance of the canal sinking fund for '47,	362,794 36
Tax of 1845 and 1846,	119,410 30
Canal sinking fund of 1848, over int. 1st July,	289,664 33
	771,868 99

Less amount paid for redemption of stock, including premium,	54,656 15
	417,212 84

Deficiency to be provided for July 1, 1848,	\$821,517 16
---	--------------

In the last annual report, the tenth of a mill tax for the year 1848 and 1849, was included in the estimated means for paying the debt of 1849; but the great amount of tolls for the fiscal year ending on the 30th September last, was more than sufficient to meet all the conditions affixed to the continuance of the tax provided by chap. 314, of the laws of 1844, and the commissioners of the canal fund have given notice to the treasurers of the several counties that this portion of the direct tax would cease, and it has not been levied in 1847. This diminishes the means for the payment of the canal debt in 1848 and 1849, about \$120,000. The sum due the general fund, on account of the sinking fund, for one-third of a year, from June 1st

to September 30th, 1846, was also included in the estimates of last year, as a portion of the means for paying the debt. This sum, \$116,666 66 is in bank fund stock, and will not be available, except the interest, until 1858. These two sums make a difference between the estimates of last year and this, of \$236,660 66.

The deficiency of the sinking fund to provide for the debt due in 1848 and 1849 can be made good, in the opinion of the comptroller, by a pledge of the sinking fund, as is provided in § 5, article 7 of the constitution. He says:

So long as the credit of the state is unimpaired, there can be no difficulty in managing the debt, by pledging the sinking fund for the payment of interest on such a portion of the stock as it may become necessary to defer the payment of, until the sinking fund is strong enough to meet the principal. The 4½ per cent., when they become payable, can be deferred by raising the interest half of one per cent., provided the 5 per cents. are kept at the par of gold and silver. If, by any interference with the financial article of the constitution, the stocks of the state should be depressed ten, fifteen, or twenty per cent., it would be utterly impracticable to defer any portion of the debt on the credit of the sinking fund. And it would then become indispensable to resort to that portion of the 5th section before given, which declares that "the legislature shall by equitable taxes so increase the revenue of the sinking funds as to make them, respectively, sufficient, perfectly to preserve the public faith." * * * * *

In the last annual report of the comptroller, it was stated that "in paying the treasury and canal debts by application of the sinking funds, there will be drawn from the revenues of the canal, during the next 22½ years, the following sums:

	Principal.	Interest.	Total
For payment of canal debt,	16,944,815 57	10,518,184 29	27,462,999 86
Do. treasury debt,	5,885,549 24	6,703,708 64	12,589,257 88
	<u>\$22,830,364 81</u>	<u>\$17,221,892 93</u>	<u>\$40,052,257 74</u>

And this does not include an increase of the general fund debt, before the constitution was adopted, to the amount of \$107,000, nor the addition of \$150,000, by the failure of the Hudson and Berkshire rail road company. There is also a contingent debt of \$4,563,000, being loans of the credit of the state to rail road companies, which is also excluded from the preceding estimate. The Delaware and Hudson canal company is expected to cancel half a million of dollars of this contingent debt, in the month of January, 1848.

Large as the deficiencies will be in the sinking funds, it is believed that the debt can be successfully managed by the aid of the credit of those funds, in a manner to satisfy the claims of the public creditors, and fully to preserve the good faith of the state.

The 10th section of article 7th of the constitution, authorises the legislature to borrow a sum not exceeding one million of dollars, to meet casual deficits or failures in revenues, or for expenses not provided for." But there is no occasion for this now, and the comptroller says that the authority thus given, "should be reserved as far as practicable, for special and extraordinary emergencies; the loan of one million of dollars, exhaust the power of the legislature under that section, until the loan is reimbursed, and the authority should be sparingly used."

Condition of the Treasury and of the Several Funds.

Under this head the comptroller treats at great length of "the condition of the treasury on the 30th of September last, the items of which the several

funds consist, the amount received and paid during the year, on account of each fund, and an estimate of the receipts and expenditures of the current year. We present only a brief synopsis.

GENERAL FUND.—Revenue during the year ending September 30, 1847, \$1,762,53; expenditures \$1,651,023 60—leaving a surplus of \$111,665 93.

STATE OF THE TREASURY.—Balance on hand Sept. 30, 1846, \$261,111 23; receipts, \$5,552,243 97—total \$5,813,355 20. Payments, \$5,275,164 thus showing a balance on hand, Sept. 30, 1847, of \$538,191 11.

Estimated Revenue applicable to the Ordinary Expenses of Government, for the Current Year, viz.

State tax,	\$280,000 00
From the surplus revenue of the canals,	200,000 00
Auction duty, 87,000 00—Salt duty, 2,000 00,	89,000 00
Interest on arrears of county taxes,	10,000 00
Interest on treasury deposits,	7,000 00
Tax on foreign insurance companies,	8,000 00
Pedler's licenses,	3,000 00
Fees of the public offices,	2,000 00
	<hr/>
	\$599,000 00

Estimates of the Ordinary Expenses of Government for the Current Year, viz.

Salaries of officers of government and clerks,	\$38,000 00
Judges of court of appeals and justices of supreme court,	90,000 00
Judges of old supreme court,	9,000 00
Chancellor, register in chancery, clerk of the court of appeals and clerk of supreme court, clerk hire and office expenses,	17,500 00
Commissioners of code and on practice and pleadings, including clerk hire,	13,200 00
Legislature,	90,000 00
Contingent expenses of do. and public offices,	15,000 00
Incidental expenses of government, and apprehension of criminals,	2,000 00
Commissary's department,	14,500 00
Printing for the state,	50,000 00
Deaf and dumb, 26,000 00—Blind, 17,500 00,	43,500 00
Hospital, New York,	22,500 00
Foreign poor, New York,	10,000 00
Orphan asylum, New York,	1,000 00
Expenses of the state prisons,	12,000 00
State library,	5,000 00
Agricultural societies,	7,000 00
College of physicians and surgeons, New York,	500 00
Postage of official letters,	2,200 00
Expenses of state lunatic asylum,	6,000 00
House occupied by governor,	1,070 00
Expenses of the capitol,	4,000 00
Expenses of the state hall,	2,500 00
Apprehension of fugitives from justice,	4,800 00
Expenses of the geological museum,	1,000 00
Committee to examine accounts of the treasurer, and canal and banking departments,	1,000 00
Clinton prison, for erection,	40,000 00
Geological survey, \$20,000 00—Miscellaneous, \$25,000 00,	45,000 00
	<hr/>
Estimated expenditures for 1848,	\$548,270 00

GENERAL FUND DEBT SINKING FUND.—The receipts for the year were \$471,916 66, and the expenditures \$466,581 43—surplus \$5,335 23.

COMMON SCHOOL FUND.—The capital amounts to \$2,170,514 47; and includes \$555,406 32 in cash; 1000 shares of \$50 each, Manhattan Bank stock, and the balance in bonds, certificates, &c. In addition there belong to it 358,840 acres of land valued in the surveyor general's report at \$179,400. The revenue of the fund, including balance on hand of \$104,218, was \$400,767 48. Expenditures \$275,820 32. Balance on hand, Sept. 30, 1847, \$124,947 16. The revenue of the fund is estimated for the current year at \$122,083 30 interest of bonds, &c. and \$165,000 from the United States deposit fund. Total \$287,083 50. The common school dividends for the year are put down at \$275,000.

LITERATURE FUND.—Capital \$265,306 78, of which \$213,443 is state stock; 100 shares of \$60 each Albany Insurance Co.; 860 shares of \$50 Merchants' Bank, New York; 28 shares of \$23 Canal Bank, Albany, and \$2,403 78 money on hand. The revenue for the year was \$60,400 29 (including balance and appropriation) and the expenditure \$42,195 60—leaving a balance September 30, 1847, of \$18,204 69. The revenue for the current year is estimated at \$44,706, including \$27,000 from the United States deposit fund, and the expenses are thus summed up:

Dividends to academies,	\$40,000 00
Books, globes, apparatus, &c.	3,700 00
Books for the several state prisons,	300 00
	<hr/>
	\$44,000 00

UNITED STATES DEPOSIT FUND.—It consists of the following items:

Loans on mortgage in the several counties,	\$3,494,935 35
Money in the treasury, 518,485 36—State stock, 1,100 00,	519,591 36
	<hr/>
	\$4,014,520 71

The revenue for the year was \$267,918 65, and the expenditures \$269,291 98, (including \$5,638 losses on mortgages, &c.) leaving a balance of \$1,373 33 due the treasury. The revenue for the current year is estimated at \$249,175. The estimated expenses for the same period are as follows:

	\$25,000 00
* For common school dividends,	165,000 00
* For distribution among the academies,	27,000 00
* University of New York,	3,000 00
University of New York medical department, (appropriation for 1848 paid)	
* Geneva college, 3,000—Geneva college, med. dep., 1,000,	4,000 00
* Hamilton college, \$1,500—Albany medical college, \$1,000,	2,500 00
Genesee Wesleyan Sem., \$2,300—University of Buffalo, 1,000,	3,300 00
Eye infirmary, New York,	1,000 00
Normal school,	10,500 00
* District School Journal, 2,400—sundry Indian Schools, 1,600,	4,000 00
Secretary of regents of university,	750 00
Door keeper of regents of university,	40 00
For instruction of colored children,	5,000 00
Diminution in loans under foreclosure of mortgage,	8,000 00
Balance due the treasury, 30th Sept., 1847,	1,373 33
	<hr/>
	\$260,373 33

* On account of these items no appropriations have been made for the year 1848, and the estimate has been made assuming that the same sums will be allowed which were paid in 1847. This, however, would exceed the income for 1848, as estimated, nearly \$11,500.

BANK FUND. —Stock issued on account of this fund,	\$923,467 87
Balance due on comptroller's bonds belonging to this fund, the payment of which has been assumed by Union col- lege,	\$13,036 16
Stock issued on account of this fund, belonging to the fund,	12,500 00
Money in the treasury,	40,768 00
	<u>66,304 16</u>
Debt of the fund, 30th September, 1847,	857,163 71

Receipts and Disbursements.

Contributions by banks,	1,783,947 76
Revenue added to capital,	41,669 78
Stock issued on account of the fund for re- demption of bills and payment of debts of sundry insolvent banks,	923,467 87
	<u>2,749,085 41</u>
Redemption of bills and debts,	2,577,926 67
Allowed Lockport bank,	3,000 00
Discount on state stock, sold in 1842,	14,568 77
Interest paid on stock issued on account of the fund,	87,285 81
Comptroller's bonds,	13,036 16
Stock issued on account of the fund belonging to the fund,	12,500 00
Money in treasury,	40,768 00
	<u>\$2,749,085 41</u>

Amount due the bank fund from sundry insolvent banks, for redemption
of bills and payment of debts by the fund:

Banks.	Redemptions.	Debts.	Totals.
Bank of Buffalo,	\$435,362 00	\$149,241 22	\$584,603 22
City Bank of Buffalo,	278,645 29		278,645 29
Com. Bank of Buffalo,	186,496 00	424,514 87	611,010 87
Com. Bank of N. York,	139,821 00	146,129 23	285,950 23
Wayne Co. Bank,	113,136 00	16,077 70	129,213 70
Com. Bank of Oswego,	162,869 00	78,351 63	241,220 63
Bank of Lyons,	52,435 00	39,803 08	92,238 08
Watervliet Bank,	127,131 26		127,131 26
Clinton County Bank,	71,618 00	156,257 39	227,875 39
Lafayette Bank, N. Y.	38 00		38 00

Totals,	\$1,567,551 55	\$1,010,375 12	\$2,577,926 67
---------	----------------	----------------	----------------

UNITED STATES DEPOSIT FUND.—The United States deposit fund, \$4,-
014,520 71, was received into the treasury in 1837, and the whole sum
was deposited in the banks, at an interest of six per cent. until arrange-
ments could be made to loan out the money in the several counties. There
was received from the banks on account of interest in 1837 and 1838, about
\$70,000. The first payment of interest on the mortgages, was in October,
1838, which came into the fiscal year of 1839, and embraced in many cases
more than one year's interest; so that the net revenue of that year ap-
pears to be \$333,532 66. The total amount realised from the fund from
1837 to 1847, is, \$2,628,770 04

There has been taken from the revenue, to make good the
capital where defaults occurred, 112,083 77

Net revenue from 1837 to 1847,	\$2,516,686 27
--------------------------------	----------------

O H I O .

Extracts from the Annual Report of the Auditor of the State of Ohio, Dec. 11, 1847.

General Statement of the Receipts and Expenditures of the state of Ohio during the year 1847.

Receipts.

Proceeds of tax of 8 mills on the dollar of the real and personal property, on the grand list of 1846:

This sum includes 1½ mills tax for general revenue and incidental items,	\$222,756
Six mills tax for canal fund, for payment of repairs on public works, and interest on state debt,	890,422
One-half mill for state common school fund,	74,201
Tax on lawyers and physicians, pedlers' licenses, auction duties, and tax on foreign insurance companies,	15,146
Canal tolls, water rents and fines paid,	790,793
Dividends on canal and turnpike stocks,	36,848
Interest on principal of surplus revenue,	86,379
Tax paid by banks, insurance and bridge companies,	41,748
Received for canal lands sold and other items,	53,942

Total amount of ordinary annual revenues of the state paid into the treasury,	\$2,212,240
Principal of surplus revenue paid by counties,	167,240

Total amount of receipts at the treasury applicable to the support of the state government and institutions, payment of repairs on public works, interest on state debt, temporary loans, and to redemption of state bonds,	\$2,379,480
School and trust funds received,	37,424
Tolls received upon national road,	42,614
Tolls upon Western Reserve and Maumee turnpike,	7,340
Loans made prior to the 15th November, 1846,	32,368
Proceeds of loan from Clinton bank,	3,149
Turnpike bonds issued and paid into the treasury,	32,052
National road bonds issued and paid into the treasury,	29,605
Three per cent. fund received from the United States,	52,599
Rents from Virginia military school lands,	3,700
Received from fund commissioners, balance of appropriation for turnpike companies,	23,660
Miscellaneous,	789

Total amount paid into the treasury, for all purposes, during the year ending 15th November, 1847,	\$2,644,785
Balance in the treasury on the 15th November, 1846,	247,518

Total from all sources,	\$2,892,303
-------------------------	-------------

This exhibit of the receipts and expenditures during the past year, presents the gratifying fact that the sum of three hundred and six thousand two hundred and ninety-nine dollars and ninety-one cents has been received from the ordinary resources of the state, over and above the annual expenditures of the year.

Expenditures.

Bills drawn, for appropriations, and paid during the year ending 15th November, 1847,	\$209,813
Common school fund paid to counties, &c.	201,319
Interest on foreign debt paid in New York,	1,027,356
Interest paid on school and trust funds,	86,218
Interest paid on domestic bonds at state treasury,	47,835
Exchange and expenses paid by fund commissioners,	10,153
Repairs of canals and public works, paid,	315,178
Expenses of board of public works,	2,389
Interest upon surplus revenue paid to counties,	5,675

Annual expenditures,	\$1,995,940
Total amount paid for the ordinary annual expenditures of the state government, repairs on public works, and interest on foreign and domestic debt of the state, brought forward,	1,905,940
Paid for repairs on national road, including \$3,189 32, interest on national road bonds,	37,596
Paid for repairs and construction of Western Reserve and Maumee turnpike,	14,253
National road bonds paid to creditors,	29,388
Subscription to stock of turnpike companies, paid,	32,052
Domestic bonds redeemed,	119,883
Rents of Virginia military school lands received,	3,700
Three per cent. fund paid Delaware county,	130
Special deposit in Lancaster bank, credited to treasurer,	2,066
Paid Cincinnati commercial hospital,	207
Paid surplus revenue to several counties, amount loaned by them to fund commissioners,	65,595
Repaid Butler county, on section 16,	735
Paid expense of copies and reports from Lima and Perrysburg land offices,	75
Refunded purchase money for land erroneously sold,	174
Paid fund commissioners' sinking fund,	23,660
Paid on account of temporary liabilities, arrears of interest, &c.	162,146

Total amount of disbursements, for all purposes during the year, \$2,397,605

Balance in the treasury, 15th November, 1847, \$494,698

It also appears that the sum applicable to the payment of the state debt, including the principal of surplus revenue repaid by the counties, is four hundred and seventy-three thousand five hundred and forty dollars and sixty cents.

This surplus arises, in part, from the great increase of tolls received upon the state canals and public works. Much, however, of the increase is properly attributable to the change in the system of taxation. The whole property of the state, upon the tax list of 1844, was valued at \$136,142,666, upon which a tax of seven mills upon the dollar, for state purposes, was levied, amounting to \$948,996 63.

The duplicates of 1846, when the new system was only partially in operation as to personal property, amounted to \$150,293,132, upon which a state tax of eight mills on the dollar was levied, amounting to \$1,208,562 22, making a difference in the state taxes levied in 1844 and 1846, of \$259,565 59.

The duplicates of 1847 amount to \$ 410,763,160, upon which a tax of 2½ mills on the dollar was levied for state purposes, amounting to \$1,139,967 95.

The state tax would have been increased to three mills on the dollar, but it was found that the revenues from the public works would this year be greater than was estimated, and, consequently, there would be a surplus, rendering a higher rate unnecessary to produce the amount which the auditor is, by law, authorised to levy.

The dividends received during the past year, on the stock held by the state in turnpike companies, amounted to \$ 32,648 10. It is probable that the revenues of the state from these stocks will not, hereafter, fall below the sum received for the year 1847.

The sums received from all the different sources of state revenue, have been greater than the estimate presented in the last annual report from this office. The total receipts of the ordinary revenues being \$155,240 31 greater than the estimate. The expenditures have exceeded the estimate only \$ 37,029 38. This excess was caused, principally, by the unexpected increase of the repairs upon the public works of the state, occasioned by the occurrence of several high floods during the year.

The justice and expediency of the present system of taxation have been fully proved by its effects, and sustained by the judgment of the people. Under this law, a commencement has been made in the reduction of our state debt. It is important that this beginning should be carried out, by levying, every year, a sufficient sum to create a sinking fund, which should not be less than \$ 200,000 per annum. By this means, the debt which is now pressing as an onerous burden upon the state, would soon be reduced to a sum requiring no extraordinary effort to remove it altogether.

The following tabular statement exhibits the amounts received by the collectors on the Ohio canals, for tolls, water rents, and fines; net amount paid into the state treasury; and the balance remaining applicable to the payment of interest on public debt. From the year 1827, up to the 15th November, 1847.

Year.	Amount rec'd for Tolls.	Paid into the Treasury.	Balance.
1827	\$ 1,500 00		
1828	10,663 23	\$ 563 39	
1829	26,946 54		
1830	60,604 27	73,566 47	\$ 42,292 07
1831	101,592 15	94,619 15	26,314 08
1832	116,786 87	104,284 53	22,137 37
1833	179,973 06	170,358 44	130,948 35
1834	214,529 97	186,932 76	107,138 90
1835	238,612 61	237,657 14	144,854 47
1836	247,158 16	236,943 67	123,328 09
1837	352,547 13	336,714 40	174,468 67
1838	452,152 01	435,949 34	210,947 10
1839	490,958 12	478,933 51	238,315 19
1840	520,160 65	503,473 91	358,332 41
1841	504,153 31	472,595 47	283,087 32
1842	506,395 81	480,578 91	305,697 06
1843	456,785 93	439,076 08	222,819 23
1844	519,515 52	509,676 70	290,934 48
1845	481,606 81	466,598 51	155,598 25
1846	610,475 31	595,479 09	410,978 59
1847	804,107 97	788,977 12	533,336 37

It will be seen that the sales of the state canal lands during the year have

exceeded the estimate. The law of last session, by which the price was reduced and the lands secured to actual settlers, has been highly beneficial to the interests of the state. The policy and advantages of this act extend far beyond the actual value of the lands sold. If this liberal law is permitted to remain in force, the state will, no doubt, derive an annual revenue of fifty thousand dollars from this source for several years to come; and will soon gain much more than the price of the lands, in the improvements which will be made in that part of the state, in the labor and industry of the people who will occupy these lands, and in the wealth which they will create in a part of the state which is now, comparatively, a dense forest.

The tolls received upon the canals and public works of the state, during the year 1847, have greatly exceeded the revenues from this source in any former year; the increase over last year being \$ 195,314 66.

MASSACHUSETTS.

Extract from the Annual Message of Governor Briggs to the Legislature, Jan. 1848.

The receipts of the year 1847, including \$8,658 57 in the treasury on the 1st of January, 1847, amount to . . . \$508,990 40
 The expenditures to . . . 478,755 63
 Leaving a balance of receipts over the expenditures of . . . \$30,234 77

In a resolve passed on the 25th of March, 1845, and also in a resolve passed on the 24th of April, 1847, each of which authorises the directors of the Western rail road corporation to increase their capital stock, it is provided "that the governor may, if he judge best, instruct the treasurer to take the proportion of shares to which the commonwealth may be entitled, or any part thereof; and the governor, with the advice of the council, may draw his warrant on the treasurer in payment therefor, or he may authorise the treasurer to give the note of the commonwealth for the same, or any part thereof, to be paid with interest, whenever provision shall be made by law therefor."

As, at the time when the directors of the Western rail road corporation increased their capital under the above cited resolves, the value of the stock was considerably above par, I "judged best to instruct the treasurer to take the proportion of shares to which the commonwealth was entitled."

Four hundred and forty-one shares were taken under the first, and thirteen hundred and twenty-three shares under the second resolve. A dividend, at the rate of eight per cent. per annum, has been paid by the corporation since those shares were taken.

The shares were taken at par; they are now selling at one hundred and five dollars each.

The first four hundred and forty-one shares, amounting to \$44,100, were paid for by a temporary loan of \$20,000, and the balance out of the ordinary receipts of the treasury.

For the last thirteen hundred and twenty-three shares, amounting to \$132,300, the treasurer gave his note to the treasurer of the Western rail road corporation, payable at the pleasure of the legislature, with interest at five per cent. up to the first of January inst., and at six per cent. after that time, until paid.

It will be for the legislature to say what provision shall be made to pay this note.

Independent of the amount for which the state has heretofore lent its

credit to certain rail road corporations, for which ample security has been given, and upon which there is no probability the state will ever be called on to pay any thing, the debt of the commonwealth, at this time, amounts to \$1,147,300:

The items of which debt are,

The scrip issued to pay for the subscription to the Western rail road stock,	\$995,000 00
The note to the treasurer of the Western rail road corporation, for the 1323 before-named shares,	132,300 00
And the note for the temporary loan, to pay the balance of 441 shares,	20,000 00
	<hr/>
	\$1,147,300 00

The scrip for the \$995,000 will be due in 1857.

The available means of the state are the 11,764 shares which it owns in the Western rail road corporation, which, at par, is,	1,176,400 00
To this should be added five per cent. for the present advanced value of the stock,	58,820 00
It is also proper to place with these means the amount of the Western rail road sinking fund, which is intended to meet the scrip for the \$995,000 when it falls due, and which, at the past rate of increase, will be sufficient to pay the whole amount when due,	466,400 00
A house in Hancock street,	12,500 00
Half of ten shares in South Boston Association,	1,500 00
	<hr/>
	\$1,715,620 00

The public funds belonging to the state are the Western rail road sinking fund, already named,	466,400 00
The Massachusetts school fund,	845,200 00
School fund for the Indians,	2,500 00
Charles river and Warren bridge fund,	28,100 00
	<hr/>
	\$1,342,200 00

The public lands in the state of Maine, which belong to this commonwealth, amount to two millions and three hundred thousand acres. If properly and judiciously managed, these lands will, for many years to come, be a source of valuable income to those who shall come after us. They may be made the means of elevating the character of our public schools, and of conferring upon multitudes of poor children the blessings of education.

In any condition of the treasury, the observance of a strict economy on the part of public functionaries, is imperative. But I am sure, that, with the present financial condition of Massachusetts—a condition existing without the imposition of a state tax upon the people—you may look for the approbation of your constituents in making any reasonable expenditure of the revenues of the state, which the public interest demands.

☞ The principal source of revenue by Massachusetts is a tax of one per cent. upon the bank capital in the commonwealth. This tax amounted in 1846 to \$312,000, while the state tax for the same period was only \$66,000. The public charities of Massachusetts absorb upwards of one hundred thousand dollars per annum, besides the generous aid bestowed upon the public schools, amounting to \$250,000 a year. By highly judicious investments in public improvements, these are an aid instead of a burden to the state.

BANK STATISTICS.

Extracts from the Annual Report of the Comptroller of the State of New York, December 31, 1847.

Incorporated Banks.

The registered notes delivered to the incorporated, since the passage of the act of 1843, amount to . . . \$ 30,239,090 00
Of which have been returned, 9,161,051 75

21,078,038 25

The totals of each denomination registered and delivered to the banks, as well as those returned, and the amount now possessed, are as follows:

	Registered.	Returned.	Possessed.
One dollar notes	\$ 1,487,016	\$ 541,506 75	\$ 945,509 25
Two do.....	1,632,346	476,011 00	1,156,335 00
Three do.....	1,763,778	475,764 00	1,288,014 00
Five do.....	7,464,030	1,304,820 00	6,159,210 00
Ten do.....	4,996,430	926,090 00	4,070,340 00
Twenty do.....	2,023,340	561,160 00	1,462,180 00
Fifty do.....	2,358,050	926,300 00	1,431,750 00
One hundred do.....	4,131,100	1,764,900 00	2,366,200 00
Five hundred do.....	1,577,000	810,500 00	766,500 00
One thousand do.....	2,806,000	1,374,000 00	1,432,000 00
	\$ 30,239,090	9,161,051 75	21,078,038 25

The old non-registered circulation, July 1, 1843, amount to \$11,794,700
February 1, 1844, 3,146,180
February 1, 1845, 1,101,872
February 1, 1846, 854,442
November 1, 1847, 716,620

The above amounts were in actual circulation at the dates mentioned. At the same periods of time, there were small amounts in the possession of the banks, which had been redeemed, but not yet destroyed.

Free Banks.

The amount of circulating notes of all free banking associations and individual bankers in operation on Dec. 1, 1847, was \$10,366,554.

The securities deposited with the comptroller to secure the redemption of these bills was, at the same date,

New York state 4½ per cent. stock,	\$265,376 56	
Do. 5 do.	4,886,198 24	
Do. 5½ do.	892,000 00	
Do. 6 do.	1,055,665 00	
Do. 7 do.	801,000 00	7,900,239 80
United States 5 do.	55,000 00	
Do. 6 do.	59,000 00	114,000 00
Indiana State, 6 do.	6,650 00	
Arkansas State, 6 do.	499,000 00	
Alabama State, 5 do.	34,000 00	
Illinois State, 6 do.	643,666 67	
Michigan do. 6 and 7 do.	280,608 00	1,463,924 67
Cash on deposit,		62,726 86
Bonds and mortgages,		1,559,362 40

Total amount of securities, \$11,100,253 73

Increase of N. Y. 4½ per cent. stock,	37,400 00	
Do. 5 do. . .	2,343,057 30	
Do. 5½ do. . .	407,000 00	
Do. 6 do. . .	454,073 00	
Do. 7 do. . .	185,873 00	
United States, do. . .	9,000 00	3,436,403 30
Do. Indiana, 6 do. . .		2,650 00
Do. cash deposited, . . .		24,687 79
Do. bonds and mortgages, . . .		7,097 00
		<hr/>
		\$3,470,838 09

New Banks.—Two associations and nineteen individual bankers have commenced business during the past year, [1847,] viz.

American Bank, Mayville, Chautauque county.
Atlas Bank of New York, Clymer, Chautauque county.
Bank of Bainbridge, Bainbridge, Chenango county.
Bank of Cayuga Lake, Ithaca, Tompkins county.
Bank of Lake Erie, Buffalo, Erie.
Bank of Saratoga Springs, Saratoga Springs, Saratoga county.
Bowery Bank, New York city.
Farmers' Bank, Mina, Chautauque county.
Franklin Bank, French creek, Chautauque county.
Commercial Bank, Albany city.
Commercial Bank, Friendship, Allegany county.
Commercial Bank, Lockport, Niagara county.
Henry Keeps' Bank, Watertown, Jefferson county.
McIntyre Bank, Adirondack, Essex county.
Merchants' Bank, Ellery, Chautauque county.
New York Security Bank, Huntsville, Saratoga county.
Northern Bank of New York, Madrid, St. Lawrence county.
Northern Exchange Bank, Brasher Falls, St. Lawrence county.
Pratt Bank, Buffalo, Erie county.
Rochester Bank, Rochester, Monroe county.
State Bank, Saugerties, Ulster county.

The above have deposited the following securities, viz.

New York 5 per cent. stock, . . .	\$1,438,194 46	
Do. 5½ do. . .	321,000 00	
Do. 6 do. . .	95,000 00	
Do. 7 do. . .	27,250 00	
Bonds and mortgages, . . .	70,000 00	1,951,414 46
Circulating notes issued on the above, . . .		1,948,186 00

Thirty banks have been closed by the comptroller since the passage of the general banking law, and the following securities sold on their account:

New York state stocks sold, . . .	\$143,350 00	
Illinois do. . .	239,000 00	
Arkansas, do. . .	157,000 00	
Indiana, do. . .	424,000 00	
Alabama, do. . .	98,000 00	
Michigan, do. . .	79,000 00	
Bonds and mortgages, . . .	441,397 86	1,581,747 86
Proceeds of sales of securities, . . .		971,003 98
Showing a loss on securities, of \$610,743 88		
Circulation at the time of sale, . . .		\$1,239,285 00
Amount redeemed to Dec. 1, 1847, and returned, . . .		1,215,483 00
Circulating notes outstanding, \$23,802 00		

In the cases of five banks the right of the comptroller to sell certain mortgages was called in question at the auction, and in these cases the mortgages were withdrawn from the sale and foreclosed in chancery. These were the Bank of America, Buffalo; amount \$4,275; litigation not closed. Washington Bank, New York; \$10,000; \$12,352 86 realised, and bill-holders paid in full. Bank of Brockport, \$2,500, in course of collection. Of the other two the comptroller says:

In the case of the Merchants' Exchange Bank, of Buffalo, there will be \$3,100 to divide, and in the case of the Farmers' Bank, of Seneca county \$3,500, and there may be added to this sum \$650 more. The sums to be realised on account of the Bank of America and the Bank of Brockport, cannot be stated with any certainty.

The twenty-five other banks which have been closed, and for the unpaid per centage of the notes of which certificates have been given, to those who presented the notes or redemption, there is no chance for another dividend, unless the legislature should determine to divide among those who hold these certificates, the balance in the hands of the comptroller, and which have not been called for, amounting to \$22,282 94. This money belongs to those who have not yet brought in their notes for redemption, and will pay them, on the average, some 76 per cent.

To this latter course, the comptroller is decidedly averse.

Twenty-one banks have been closed by their own stockholders, fourteen of which have complied with the 8th and 9th sections of the general banking law, passed May 26, 1841, and the amounts held for the redemption of their notes given up; the remaining seven have not as yet complied with the law, and have circulating notes outstanding amounting to \$3,500, for which an equal amount is held by the comptroller to redeem the same.

The comptroller alludes to the sections above named, which compel him at the end of two years to give up to the owners of the bank withdrawn from business the uncalled for part of the sum deposited with him to redeem its outstanding circulation. He thinks that provision should be repealed, and when the managers of a bank reduce its circulation to ten per cent. they might be allowed to discontinue the redemption of their notes by paying the ten per cent. into the state treasury, to be held for the redemption of the circulating notes whenever presented.

Security of Bank Notes.

Attention is pointed to the fact that all the contributions to the safety fund by the banks now in operation, are mortgaged for the bank fund stock issued in payment of the debt of the banks which failed in 1841-'2, and that there is no longer a resort to a fund to redeem the notes of any of the safety fund banks in case of failure. The security of the present circulation of the safety fund banks, amounting in the aggregate to \$16,926,918, rests solely on the solvency of each bank issuing the notes.

The recommendation of last year is repeated, that "the bill-holders of the safety fund banks might be amply secured by the payment annually into the treasury of a sum equal to one-half of one per cent. on the capital during the life of the charter; this sum to be invested, and the accumulations added to the fund, and held by the state as trustee for the bill-holder."

Bank Investigations.

The 6th section of the "act to abolish the office of bank commissioner and for other purposes," passed April 18th, 1843, provides that "it shall be competent for the comptroller, whenever he shall have good and sufficient rea-

sons to suspect the condition of any bank, or the correctness of its quarterly report, to appoint a special agent to examine the affairs of such bank, and who for that purpose shall have the same powers now vested by law in a bank commissioner."

The authority given to the comptroller in this section, has been exercised in reference to the five following banks, viz. The Lockport Bank and Trust Company, in January, 1845; the Bank of Rochester, in September, 1845; the Lewis County Bank, in May, 1846, and in October, 1847; the Canal Bank of Lockport, in August, 1846; and the Bank of Watertown, in June, 1847.

In the case of the Lockport Bank, and Trust Company, Thomas M. Burt, Esq. was appointed special agent, and commenced the examination of the bank on the 3d of January, 1845. By his report it appeared that the affairs of the bank were in a very embarrassed condition, and that immediately after refusal of its notes at the agency in Albany, and before his arrival at the bank, nearly the whole of its assets which were considered of any value, were assigned to secure certain creditors other than the bill-holders. There had, however, been previously assigned to the agency in this city, assets to the amount of \$116,701, to secure the payment of a large sum due for the redemption of its circulating notes. Amongst the liabilities of the bank was one amounting to \$36,944 87, to the commissioners of the canal fund for canal tolls deposited by the collector at that place. The special agent reported that this debt of the bank was less adequately secured than any other, to secure the payment of which the assignments had been made.

It was the opinion of the then attorney general, that the bank possessed the legal authority to execute these assignments, and consequently, no application was made for an injunction. Soon after the report of the special agent was received, the officers of the bank made arrangements for the redemption of its notes, and the association still continues its banking operations. The debt due to the canal fund has been reduced to the sum of \$31,072.

In the case of the Bank of Rochester, application was made for an investigation in behalf of the officers of the bank and of some of the principal stockholders. Charles Stebbins, Esq., was appointed special agent, and entered on the examination on the 11th of September, 1845.

This bank was chartered in 1824, with a capital of \$250,000. In May, 1845, the charter was extended for two years, provided the stockholders assented to become personally liable for the debts of the bank, and that it should also become a contributor to the safety fund. A portion of the stockholders protested against incurring the liability, and it was determined to wind up the bank.

The special agent reports a loss of about \$100,000 of the capital but also reports that "it possesses the ability to discharge all its liabilities to the public," and that he has not discovered that the said banking corporation has violated any provision of law binding on it. The agent, therefore, did not deem it necessary to commence proceedings in chancery, and the directors have been allowed to proceed in winding up the affairs of the bank.

The special agent reports further, that an item of \$40,821 50 charged in the statement to suspense account, "represents nothing of value, but consists of an amount of notes of the bank which have been redeemed from time to time, and which appear to have been at some time fraudently issued by, or abstracted from the bank. It was some time since discovered that 200 impressions of a \$25 plate [\$5,000] had been put into circulation, which were not entered on the books of the bank to the debit of the cash account. The amount is now entered to the debit of suspense account, and

forms a part of that item in the statement. How these notes got into circulation is as yet unascertained.

"It would hardly seem possible to have been a mere neglect to enter their issue upon the books, as in that case the cash must have exceeded the cash account by that amount, and of this there is no evidence. It is almost equally difficult to account for the fact in any other way, the integrity of all the officers employed in the bank being unimpeached. The balance of the expense account covers another loss, attended by circumstances still more inexplicable.

"Of the different impressions of bank notes printed previous to the registry law, there appears to have been impressions which would make bank notes amounting to \$2,094,805. The account of bank notes made from these sheets, as it appears on the books of the bank, corresponds within a few dollars with this amount. Different committees of the board of directors have at different times certified on the book kept for that purpose, to the destruction by them of bank notes and sheets to the amount of, \$1,776,103½

It appears also by the books that of these impressions there have been countersigned and registered by the comptroller,	163,300
And that there are still remaining in the hands of the comptroller, sheets amounting to	185,000

Making a total of,	\$2,124,403½
------------------------------	--------------

and being an excess of \$29,491 over and above the amount required to correspond with the impressions printed.

"This excess, together with the \$10,000 before mentioned, and another small discrepancy occurring in the notes withdrawn from circulation and afterwards reissued, constitute the loss represented by the suspense account, so far as has been ascertained.

"Assuming the account of bank paper printed to be correct, it follows beyond question that the certificates of burning are some of them incorrect, unless there is an error in the account of sheets which have passed through and are now remaining in the comptroller's office, which fact I have taken upon the testimony of the president of the bank.

"How then can the fact be accounted for that a large amount of bank notes which were certified to have been destroyed by being burned to ashes, have afterwards got into circulation and been redeemed by the bank?

"As in the case before mentioned, there does not appear at any time to have been any material excess of cash, which must have occurred unless a fraud were committed. Nor does there appear to be any grounds of suspicion against any of the officers of the bank, or the gentlemen who have certified to these burnings, unless from the naked fact that a fraud has been committed by somebody.

"The books show an excess of notes destroyed of \$33,930, being of every denomination except two's, but chiefly of the denominations of one, five and ten dollars."

In the case of the Canal Bank of Lockport, Thomas M. Burt, Esq. was appointed special agent, and commenced the examination on the 5th of August, 1846. The resources which were estimated by the bank at \$134,765 39, were estimated by the special agent at \$78,224 96. The report states that "the amount of loans and discounts has been diminished from \$283,749 on the 1st of May, 1846, to the sum of about \$69,000. This large difference has been caused by compromising with some of the debtors to the bank; one of \$64,000 another of \$12,000; and by surrendering \$73,700 in stock notes, so called, which have for several years past been included with the loans and discounts of the bank in its quarterly reports." * * *

"The stock notes were given by G. W. Rogers, the cashier of the bank, in December, 1841, when a like amount of stock was issued to him with the view, as is stated, of disposing of it for cash, and thus increasing the active capital of the bank. A small amount only was thus disposed of, and the residue, \$73,700, was transferred to the bank in February, 1842, by Mr. Rogers, but his notes given therefor were not cancelled or withdrawn until after the failure of the bank. The capital stock is now stated on the books of the bank at \$156,500, instead of \$230,000, as heretofore.

"Cash payments were suspended at the bank on the morning of the 15th of June, and before its notes were refused at its agency in Albany. Subsequently six or seven thousand dollars of its notes were paid out to depositors, in violation of the 5th section of the act entitled, "An act relating to the redemption of bank notes," passed May 4, 1840.

At the time the bank was examined, it had a circulation outstanding of \$138,630, and about \$10,000 of its notes in the bank. The securities in the hands of the comptroller at that time were as follows:

Bonds and mortgages,		\$86,500
Arkansas state stock,		75,000
Illinois state stock,	2,000	\$163,000

A bill was filed in the court of chancery, and an injunction granted against the bank and its officers. And on the 14th of October, 1846, a committee of the directors made arrangements with an agent to redeem the notes at the agency in Albany, and also at the counter of the bank. Under this arrangement the circulating notes of the bank to the amount of \$112,945 have been returned to the banking department and burned; and mortgages to the amount of \$71,000, and New York state stocks to the amount of \$20,000, have been transferred by the comptroller to the agent. The circulation now outstanding amounts to the sum of \$35,808.

Lewis County Bank.

In the case of the Lewis County Bank, Thomas M. Burt, Esq. was appointed special agent, and commenced the examination of the bank on the 26th of May, 1846. After a full examination, application was made to the chancellor, and an injunction was granted against the bank and its officers.

When application was made to the comptroller for an investigation of the affairs of this bank, it was represented that a large amount of its notes had been loaned to, or placed in the bank of Watertown for circulation, and that this operation precipitated the embarrassment of the Lewis County Bank; and a commission was given to Mr. Burt against the bank of Watertown, in order that the affairs of both banks might be investigated in connection with the transaction referred to. It was ascertained that about \$18,000 of the circulating notes of the Lewis County Bank had been placed in the hands of the cashier of the bank of Watertown. It did not become necessary to use the commission issued in case of the Bank of Watertown.

There was also an overdraft of \$9,271 35, which proved to be a loan of notes of the bank to a responsible person in Jefferson county, which notes it was said could be returned, when called for, in the original packages as they went from the bank.

An arrangement was made to have 50 per cent. paid on the stock of the bank, and the obstacles to its resumption of business were removed.

The canal fund had a claim against the bank of \$20,000, for a loan made in December, 1839, and for which the state held a certificate of deposit signed by C. L. Martin as cashier, and also held as collateral security for the payment of the loan, the individual bond and mortgage of John W. Martin, and two of his brothers. The special agent found no acknowledgment of

this debt on the books of the bank. The whole sum, however, has subsequently been realised to the canal fund, from the foreclosure of the mortgages against the Martins. This relieves the bank from a claim of \$20,000, and to this extent improves its condition. The comptroller, however, did not consider that the character of assets of the bank, authorised an issue of the full amount of notes prescribed by law for a bank of a capital of \$100,000. The bank has \$128,273 in registered notes, and \$2,438 outstanding of its old emission, making together the sum of \$130,711. In October last, a demand was made for about \$20,000 more, making \$150,000, the amount allowed by law to a bank with a capital of \$100,000. Before acceding to this demand, the comptroller determined to have the bank again examined by Mr. Burt, in order to ascertain whether the assets had improved to such extent as to warrant it, and also to ascertain whether the condition of the bank afforded satisfactory evidence that the new capital of \$50,000 had been paid in, and kept in the business of the bank.

On the 15th of October a commission was issued to Mr. Burt, and on the 18th he commenced the investigation, after due examination of its affairs, the special agent reported the estimated value of the assets over the liabilities as exhibited by the cashier, and as appeared by the books of the bank, to be \$84,896 15, which would entitle the bank to a circulation of \$127,344, the amount already in its possession being \$130,711. Under this state of facts, it was determined by the comptroller that no farther delivery of registered notes could be made, especially as the special agent also reported that there was a suit pending against the bank for the recovery of a demand of about \$15,000, which did not appear on the books as a liability, and which was not taken into consideration in his estimate of the value of the stock.

The report further states, that no loan appears to have been made by the bank to enable any stockholder to pay in the 50 per cent. on his stock; but that it did appear that loans to a considerable amount were made elsewhere, to enable one stockholder, who had purchased more than one-half the stock of the bank, to make the payment, but the precise amount of such loans could not be ascertained.

The report also shows that the loans and discounts to directors of the bank, at the time the examination was made, exceeded the limit prescribed by law, to the amount of \$6,751 35. It was proposed by the cashier to cure this difficulty, by procuring the resignation of one or more of the directors; and judging from the quarterly report of the bank of the 1st of November, this course appears to have been adopted.

Bank of Watertown.

In the case of the Bank of Watertown, Thomas M. Burt was appointed special agent, and commenced the examination on the 29th of May, 1847.

The special agent discovered a deficiency of \$11,642 82 in the statement of discounted bills of the bank. This error had been repeated and sworn to in all the quarterly reports for the two previous years. The officers could not, or did not, explain the cause of this error. The report states that "in making up the balance sheet which showed a surplus of profits to divide, there was at the time of making the last dividend, unpaid interest to the amount of \$12,885 on the Arkansas and Illinois stocks included with the resources, the stocks being also estimated at their par value. The error or deficiency of \$11,642 82, has also gone to swell the resources above the true amount.

"On the 31st day of July, 1846, a draft for \$2,087 60 was drawn on a person in Kingston, Canada, by the cashier of the bank, and credited to the account of such person. This draft was counted as specie the next day, August 1st, and included with the specie actually in the bank, in its quar-

terly report to the comptroller made on that day. And it remained in the bank, and was counted and sworn to as specie in the quarterly reports of November and February last. On or about the 27th day of April last, the draft was charged to the person on whom it was drawn, it not having been out of the bank, or forwarded for payment.

"On the 30th day of April last, checks for \$1000 each, drawn by the cashiers of the Bank of Watertown and Black River Bank, on their respective banks, were exchanged, at the request of an officer of the first named bank, and counted and reported as specie by the Bank of Watertown, on the 1st day of May, in its quarterly report to the comptroller. No record of this transaction was made on the books of either bank, and the checks were destroyed immediately after the report was made. All the specie in the Black River Bank on the 1st day of May, was included in the report of that bank."

On the 29th of November last, the circulation of the bank was reduced to \$29,140; and there was in the hands of the comptroller the following securities, viz. bonds and mortgages \$25,959 20; Arkansas 6 per cent. stock, \$39,000; Illinois 6 per cent. stocks, \$1,000; Total, \$65,959 20.

Assurances being given that the bank would be placed on a sound footing, and that all the creditors were paid or secured, proceedings were discontinued, with the distinct understanding that the amount of circulating notes would not be increased, on the securities in the hands of the comptroller.

Champlain Bank.

The following examination took place since the preceding was prepared.

On the 4th day of May last, the first quarterly report was received from the Champlain Bank, an individual bank established under the laws of this state, and purporting to be located and transacting business in the town of Ellenburgh, Clinton county. The circulating notes delivered to this bank amount to the sum of \$55,000, and are wholly secured by 5 per cent. stocks of this state.

The correctness of the first quarterly report was verified by the oath of H. D. Beach, as attorney for James B. McLean, president, and who, so far as the papers in this office show, is the individual banker. Mr. Beach was informed that the report could not be accepted, as the law required that it should be verified by the oath of the president and cashier, and that this could not be done by proxy. On the 13th day of the same month a quarterly report was received, similar in all respects to the other, excepting that it was sworn to in New York by H. D. Beach, attorney in the city of New York, on the 7th, and by James B. McLean, president, in Clinton county, on the 11th day of May. The quarterly reports for August and November, were each verified in like manner, first, by H. D. Beach, in New York, and subsequently by Mr. McLean in Clinton county.

Having sufficient reasons from these facts, and from information derived from other sources, to suspect the correctness of these quarterly reports, a commission was issued on the 16th inst. to Bishop Perkins, Esq., as special agent, to examine into the matter, and who commenced the investigation at Ellenburgh, on the 25th inst. By this report, which consists chiefly of the answers of Mr. McLean under oath, to written interrogatories, it appears that he is a farmer, residing in the town of Ellenburgh; that the principal business of the bank is transacted in the city of New York, there being no other officer or agent at Ellenburgh, or in the county of Clinton, than the president; that H. D. Beach, of the city of New York, keeps the books of the bank in that city as agent; that the president, Mr. McLean, has never had any of the circulating notes, or specie, or other funds of the bank in his possession, or under his control as president thereof; that H. D. Beach ap-

pointed him president of the bank, and that he receives no salary as such officer, and hitherto, has been paid about \$26 only for his services.

It farther appears that M. Y. Beach and Son, claim to be the sole owners of the bank, the correspondence being with that firm, and that Mr. McLean has never furnished any of the capital, and claims no interest therein, nor has he performed any act in relation to the deposit of the stocks to secure the payment of the notes. He never signed any of the circulating notes as president, that service having been performed by H. D. Beach, as his attorney. Circulating notes have been presented to Mr. McLean for payment, but he did not redeem them, having no funds for that purpose. It also appears that the president had no knowledge of the correctness of the statements made in the quarterly reports to the comptroller, except from the affidavits and representations of Mr. Beach. The report of the special agent states that Mr. McLean resides about 26 miles west from Plattsburgh, there being no village near his residence, and that he is reputed to be worth about from \$700 to \$900, exclusive of the stock on his farm.

A L A B A M A .

BANK OF MOBILE, NOVEMBER, 1847.

Resources.

Banking houses.....	\$ 22,270
Real estate....	157,250
Bills and notes discounted.....	604,089
Bills receivable....	167,306
Exchange maturing on New York.....	254,904
Do. on New Orleans.....	81,407
Do. on London.....	204,871
De Rothschild, freres, Paris.....	3,381
William, Deacon & Co., London.....	638,634
Protested exchange purchased before July, 1841.....	44,597
Mortgages.....	26,647
Stock of this bank, taken in payment of debts.....	134,400
Stocks (various) taken in payment of debts.....	24,258
State of Alabama, for interest paid on bonds.....	90,000
Due from Merchants' Bank, New York.....	1,194,185
" from City Banks, New Orleans.....	255,136
" from James Robb & Co., New Orleans.....	32,411
Other banks out of the state.....	218
Expenses....	6,067
Notes of the Bank of the State of Alabama.....	420
New Orleans bank notes.....	765
Specie—gold.....	567,515
" silver.....	530,142
U. S. government stocks.....	55,400

Total Resources, \$ 5,099,201

Liabilities.

Capital stock.....	\$ 1,500,000
Profit and loss....	72,577
Exchange, discount and interest.....	31,369
Unpaid dividends.....	7,416
Bank of the state at Tuscaloosa.....	8,234
Commissioners of the Bank of the State and branches....	518,327
Due to banks out of the state.....	12,435
Balances due to individuals.....	637,525
Bank notes in circulation.....	2,311,318

Total Liabilities, \$ 5,099,201

Most of the real estate held by the bank has been taken in payment of debts, and the aggregate is considered a fair valuation. It is considered in the market at all times for sale, and disposed of when opportunities offer for so doing.

The classification and valuation of notes and bills discounted, according to the most recent examination, were as follows:—

Bills and notes maturing.....	\$ 490,511 84
Do. under protest.....	92,109 61
Do. in suit.....	21,418 75
	<hr/>
	604,039 70
The first class or maturing papers believed to be good, the whole of it	490,511 84
Of the second class or that under protest, this amount is classed good	58,921 04
Of the third, in suit, this amount.....	7,355 50
Leaving of the second class, under protest, doubtful... ..	17,254 82
Bad.....	15,933 75
Of the third, in suit, doubtful.....	1,672 86
Bad.....	12,390 39
	<hr/>
	\$ 604,039 70

SAVINGS BANK OF BALTIMORE, JANUARY 1st, 1848.—The undersigned, appointed by the board of directors of the Savings Bank of Baltimore, to audit a statement of its operations for the past year, and to report thereon, being allowed free access to the books and accounts, and papers of the bank, and furnished with the actual evidence of property, have carefully performed the duty assigned them, and report as follows:

Amount of funds 1st January, 1847.. ..	\$ 1,548,498 96
Received from deposits during the year 1847.....	731,109 66
Received from interest on loans and dividends on stocks	93,136 81
	<hr/>
	2,372,745 43
From which deduct as follows:	
Amount paid depositors during the year 1847, including principal and interest....	637,328 34
Amount paid in taxes for 1847.....	6,007 57
Amount of expenses for 1847.....	7,832 36
	<hr/>
	651,168 27
Leaving amount of funds, Dec. 31, 1847,	\$ 1,721,577 16

The funds are employed in loans on stocks and real estate, and in the purchase of stocks, and in the opinion of the committee are safely and judiciously invested.

The committee notice with pleasure the resumption of the payment of interest by the State of Maryland, an event gratifying to all who rightly cherish the good name of the commonwealth in which they live. By this happy event, the confidence of the directors in the ultimate integrity of the state and the consequent firmness with which they have held on to their state stocks, are fully justified.

There were open on the 1st January, 1847, 6,207 accounts; there were opened during the year, 2,311 accounts; and closed during the same period, 1,548; leaving open on the 31st December, 1847, 6,970 accounts.

JAMES GEORGE,
F. L. BRAUNS,
HUGH JENKINS, } Committee.

NEW ORLEANS.—DECEMBER 25th, 1847.

Movement of the Banks.

	Cash Liabilities.	Assets.	Circulation.	Specie.
Bank of Louisiana.....	3,258,896	4,827,752	946,185	2,116,847
Canal Bank.....	3,565,053	5,067,085	1,195,320	1,649,294
City Bank.....	1,935,031	2,711,998	515,960	1,085,411
La. State Bank.....	1,590,385	2,369,044	462,368	684,763
Mechanics and Traders'.....	2,956,233	3,746,061	573,065	1,868,953
Union Bank.....	61,559	366,764	26,155	174,342
Total	\$ 13,367,657	\$ 19,088,699	\$ 3,709,053	\$ 7,578,510

TOTAL MOVEMENT AND DEAD WEIGHT.

	LIABILITIES.	ASSETS.
	<i>Exclusive of Capital.</i>	
Bank of Louisiana....	3,842,895 79	3,861,633 38
Canal & Banking Company	3,675,901 40	3,033,971 44
City Bank.....	2,328,004 81	4,413,304 53
Louisiana State Bank.....	1,590,884 57	3,445,386 20
Mechanics and Traders' Bank.....	2,956,233 35	4,846,430 19
Union Bank....	316,211 82	6,349,918 81
Total	\$ 14,710,131 74	\$ 35,950,644 55

OFFICE BOARD OF CURRENCY, }
 New Orleans, Dec. 28, 1847. }

CHARLES GAYARRE, *Secretary of State.*
 JOSEPH WALKER, *Treasurer of State.*

NEW JERSEY.

NEW HOPE AND DELAWARE BRIDGE Co.—The following is the resolution introduced in the New Jersey assembly, relative to this company. It was adopted in January, 1848.

Whereas, the New Hope & Delaware Bridge Co. have recently refused and still do refuse to redeem the bank notes issued by the said company, to the injury of the community and to the prejudice of the solvent banks of this state; and whereas doubts are entertained in relation to the power of said company to exercise banking privileges. Therefore, resolved, that it be referred to the committee on the judiciary to report to this house, whether in their opinion the said company have power to exercise banking privileges, to the end that such legislative action may be taken on the subject as may be deemed proper.

The message of governor Stratton, of New Jersey, has the following passage relative to the *New Hope and Delaware Bridge Company*, the circulating notes of which in the market are dishonored:

The act incorporating the subscribers to the New Hope Delaware Bridge Company was passed on the part of this state, on the 23d day of January, 1812, the last section of which provides that it shall not take effect until the legislature of Pennsylvania shall vest like power and authority in the said subscribers. This it is understood, was subsequently done, and the act went

into operation. Its object, as indicated by its title and various provisions, was the construction of a bridge across the Delaware, and it was apparently passed for no other purpose.

The legislature of this state on all occasions, when it is intended to confer banking privileges, has done so in express and positive terms, and the plain inference is that in this case no such privilege was intended to be granted. This institution has, however, exercised banking powers, and it may be said the state has indirectly recognized their existence. Be this as it may, the company has recently failed for the third or fourth time, and it cannot be supposed that there is now, if there ever was, a balance on hand (over and above the capital invested in the bridge,) for banking purposes, on which only it is understood, they base their right to exercise such powers.

Although this company exists by the joint legislation of the two states, yet from the fact that their banking office is located on the Jersey side of the river, the odium of their frequent failures attached to this state. That the state may be relieved from this in the future, and to secure the public from further loss, I recommend that the attorney general may be directed to institute such legal proceedings as may be deemed proper.

INDIANA.

STATE BANK OF INDIANA.

The condition of the bank in November, 1847, as compared with its condition in November, 1846, shows an increase under the following heads:

Discounts.....	\$ 20,000	Circulation.....	\$ 269,000
Surplus fund.....	39,881	Specie.....	80,000
Eastern exchange.....	468,000		

And a decrease of the suspended debts, among all the branches, of \$117,000.

BRANCHES OF THE STATE BANK OF INDIANA, November, 1847.

The following are arranged according to respective dates of establishment.

Location.	Capital.	Circulation.	Specie.	E. Funds.
Indianapolis.....	219,900	402,000	121,000	69,000
Lawrenceburg.....	215,000	418,000	107,000	32,000
Richmond.....	167,000	313,000	75,000	63,000
Madison.....	212,560	383,000	57,000	41,000
New Albany.....	163,850	310,000	75,000	86,000
Evansville.....	151,866	271,000	140,000	38,000
Vincennes.....	147,250	275,000	118,000	76,000
Bedford.....	91,763	175,000	66,000	67,000
Terre Haute.....	157,900	286,000	80,000	140,000
Lafayette.....	187,750	360,000	48,000	92,000
Fort Wayne.....	145,705	280,000	93,000	105,000
South Bend.....	102,340	199,000	43,000	27,000
Michigan City.....	120,000	229,000	61,000	23,000
Total.....	\$ 2,082,874	\$ 3,901,000	\$ 1,084,000	\$ 839,000

The following statement includes the operations of the whole thirteen branches. The parent bank at Indianapolis does not transact a regular banking business, but issues all the notes and supervises the concerns of all the branches.

<i>Liabilities.</i>	Nov., 1845.	Nov., 1846.	Nov., 1847.
Capital stock owned by the state.....	899,054	935,854	968,054
Do. do. by individuals.....	1,188,840	1,147,970	1,114,820
Circulation	3,527,351	3,336,533	3,606,452
Due to the state.....	19,186	89,535	134,200
Balances due other banks.....	76,438	47,886	34,545
Dividends unpaid.....	23,616	31,832	25,710
Individual deposits.....	359,265	409,969	555,774
Sinking fund.....	41,913	2,865	
Fund to cover losses.....	375,240	413,563	453,444
Profit and loss account.....	76,581	20,954	77,176
Between branches.....		73,309	69,148
Total liabilities.....	\$ 6,587,484	\$ 6,510,290	\$ 7,039,324
<i>Resources.</i>	Nov., 1845.	Nov., 1846.	Nov., 1847.
Bills discounted.....	1,830,181	1,659,358	1,574,722
Bills of exchange.....	1,197,435	1,359,385	1,464,076
Suspended debt.....	598,928	577,647	460,115
Bank stock, &c.....	68,155		
Suspended items.....	27,105		
Due from other banks.....	690,618	803,065	1,081,195
Balances between branches.....		68,534	81,272
Real estate and furniture.....	348,170	349,790	373,461
Funds in transitu.....	112,523	113,578	247,698
Sinking fund and treasury notes.....	513,810	419,310	337,555
Bonds of state.....	37,000	36,000	36,000
Notes of other banks on hand.....	84,188	119,976	299,250
Gold and silver.....	1,079,268	1,003,647	1,083,980
Total resources.....	\$ 6,587,484	\$ 6,510,290	\$ 7,039,324

STATE BANK OF INDIANA, Indianapolis, Dec. 11, 1847.

To the General Assembly of the State of Indiana:

Pursuant to the requirements of the "act establishing a State Bank," approved 28th January, 1834, I herewith transmit to the general assembly, a report of the affairs and business of the State Bank, and each Branch thereof, as found to exist on the third Saturday of November last, at 2 o'clock, P. M.

It will be seen that not only is the bank in a sound condition, but is really stronger than at any former period of its existence. While it continues to divide handsome profits, the directors have properly adhered to a resolution adopted more than a year ago, to carry an increased portion to the "surplus fund" at each semi-annual dividend, until the aggregate amount of the fund in all the branches shall equal the amount of the suspended debt, and the amount invested in banking houses. Under the operation of this rule, at the November session of the board, 1846, one-sixth part of the then net profits, and at the two succeeding dividends in May and November last, one-fifth part were carried to the surplus fund.

It is due to the branches to say that they are generally, and almost without exception, ably and judiciously managed; and acting on the principle that accommodations based on prudent produce operations are safer than any other, both to those accommodated and to the branches—they consider it a primary object to afford the needed facilities for developing and marketing the products of our prolific soil.

It is a circumstance as gratifying as it is fortunate, that while monied men and monied institutions in Europe and America, long commanding the almost unlimited confidence of the financial world, have been lately whelmed in utter bankruptcy and ruin, no wave of the wide spread disasters have reached this institution.

The aggregate profits of the year, over and above the amounts carried to the surplus fund, have been 8 34-100 per cent., distributed as follows, viz.

To the branches at Indianapolis, Richmond, Fort Wayne, Michigan City, Lawrenceburgh, Madison, Lafayette, Terre Haute, and New Albany, each 10 per cent. To the Branch at Vincennes, 9½ per cent. Evansville, 7½ per cent. South Bend 6½ per cent. Bedford, 5½ per cent.

KENTUCKY.

BANK OF KENTUCKY AND SEVEN BRANCHES.

<i>Liabilities.</i>	Jan., 1846.	Jan., 1847.	Jan., 1848.
Capital stock, original.....	3,700,000	3,700,000	3,700,000
Over issue by Schuylkill Bank, less amount purchased by this bank.....	470,300	338,300	52,100
Contingent fund reserved by charter.....	100,000	100,000	100,000
Fund to cover losses.....	89,262	92,471	89,785
Dividends unclaimed.....	7,518	7,108	6,527
Stock fund (to purchase over issue).....	55,137	85,708	
Dividends January, 1846, '7 and '8, 2½ per cent..	105,256	100,957	93,802
Individual deposits.....	733,166	602,100	665,437
Bank balances.....	392,814	463,163	344,144
Circulation.....	2,586,672	2,434,659	2,781,706
Due treasurer of state of Kentucky.....	53,181	46,882	95,991
Profit and loss account.....	50,218		
Total liabilities.....	\$ 8,343,824	\$ 7,971,348	\$ 7,929,493
<i>Resources.</i>	Jan., 1846.	Jan., 1847.	Jan., 1848.
Notes discounted.....	3,093,840	2,958,060	2,642,215
Bills of exchange.....	1,850,222	1,755,505	2,132,721
Suspended debt, stocks, &c.....	167,429	88,068	95,801
Real estate for banking houses.....	87,534	87,534	87,534
Do. taken for debt.....	164,671	140,305	123,504
Kentucky five per cent. bonds.....	250,000	250,000	250,000
City of Louisville six per cents.....	200,000	200,000	200,000
Bank balances.....	445,692	676,062	560,415
Due from other corporations.....	19,438	15,425	21,709
Deficiency for over issue of stock.....	470,300	338,300	52,100
Gold and silver.....	1,275,308	1,240,305	1,371,398
Notes of other banks.....	319,388	221,784	345,372
Total resources.....	\$ 8,343,824	\$ 7,971,348	\$ 7,929,493

**NORTHERN BANK OF KENTUCKY AND FOUR BRANCHES, 1845, 1846, 1847
AND 1848.**

<i>Liabilities.</i>	Jan. 1, 1845.	Jan. 1, 1846.	Jan. 1, 1847.	Jan. 1, 1848.
Capital stock.....	2,237,400	2,237,600	2,238,900	2,238,900
Profit and loss.....	217,958	267,058	287,158	334,542
Unclaimed dividends.....	6,455	6,491	7,748	6,388
Deferred interest.....		7,754	7,613	8,840
Circulation.....	1,935,448	2,453,532	2,336,513	2,576,780
Due to banks.....	677,637	669,327	903,480	827,152
Bills payable.....		18,450	6,150	
Deposits.....	731,674	674,503	605,320	742,806
Total liabilities.....	\$ 5,806,572	\$ 6,334,715	\$ 6,392,882	\$ 6,735,409
<i>Resources.</i>	Jan., 1845.	Jan., 1846.	Jan., 1847.	Jan., 1848.
Bills discounted.....	1,819,614	1,849,698	1,845,272	1,785,302
Bills of exchange.....	1,370,651	2,007,287	1,927,466	2,156,410
Suspended debt.....	146,500	123,268	122,005	136,910
Bonds of Kentucky.....	5,000	5,000	5,000	5,000
Bonds of Lexington City.....	35,000	35,000	33,000	28,000
Due from banks.....	1,004,673	928,281	1,061,265	1,111,784
Due by State of Kentucky.....	26,744	8,750	8,750	8,750
Protest account.....	49	43	83	99
Real estate.....	164,987	179,865	135,340	123,981
Gold and silver.....	884,556	909,704	931,806	1,038,413
Notes of other banks.....	348,798	257,819	322,895	340,760
Total resources.....	\$ 5,806,572	\$ 6,334,715	\$ 6,392,882	\$ 6,735,409

BANK OF LOUISVILLE AND TWO BRANCHES.

<i>Liabilities.</i>	Jan., 1846.	Jan., 1847.	Jan., 1848.
Capital stock.....	1,082,100	1,082,000	1,080,000
Profit and loss.....	77,231	126,829	158,166
Bank balances.....	109,517	57,092	132,938
Dividends unpaid.....	34,401	2,600	3,568
Circulation.....	1,024,227	939,822	1,126,328
Individual deposits.....	213,782	161,380	230,898
Total liabilities.....	\$ 2,541,258	\$ 2,369,723	\$ 2,731,898
<i>Resources.</i>	1846.	1847.	1848.
Notes discounted.....	866,433	736,698	648,060
Bills of exchange.....	811,570	717,987	1,136,262
Suspended debt.....	89,927	86,825	45,993
Bonds of City of Louisville.....	80,000	75,000	75,000
Bank balances.....	146,772	132,830	154,410
Costs of suit, &c.....	1,481	1,618	1,969
Real estate.....	111,492	97,271	89,271
Specie on hand.....	351,094	445,844	510,341
Bank notes, &c.....	82,489	75,650	70,592
Total resources.....	\$ 2,541,258	\$ 2,369,723	\$ 2,731,898

RECAPITULATION OF THE KENTUCKY BANKS.

<i>January, 1848.</i>	Bank of Ky. and 7 Br.	Northern B. and 4 Br.	B. Louisville and 2 Br.
Capital.....	\$ 3,700,000	\$ 2,238,900	\$ 1,080,000
Circulation.....	2,781,000	2,576,000	1,126,000
Specie.....	1,371,000	1,038,000	510,000
Deposits.....	665,000	736,000	230,000
Loans.....	4,775,000	3,941,000	1,784,000
<i>Aggregates of all the Banks.</i>	1846.	1847.	1848.
Circulation, 3 banks and 13 branches.....	6,064,000	5,711,000	6,483,000
Specie do. do.	2,536,000	2,617,000	2,920,000

Dividend, Bank of Kentucky, for the year 1847, five per cent.

Dividend, Northern Bank, January, 1848—4½ per cent. for 6 months.

Dividend, Bank of Louisville, January 3, 1848—four per cent. do.

VIRGINIA.

<i>October, 1847.</i>	Circulation.	Deposits.	Specie.
Bank of Virginia and eight branches.....	2,292,000	1,068,000	831,000
Farmers' Bank of Virginia and ten branches..	2,943,000	1,115,000	990,000
Exchange Bank and four branches.....	1,088,000	661,000	461,000
Bank of the Valley and four branches.....	1,364,000	368,000	285,000
North Western Bank and two branches.....	871,000	270,000	280,000
Merchants and Mechanics' (October, 1846)...	750,000	118,000	143,000
Total.....	\$ 9,308,000	\$ 3,600,000	\$ 2,990,000

FARMERS' BANK OF VIRGINIA.

<i>Resources.</i>	January, 1847.	January, 1848.
Loans.....	5,035,300	5,627,000
Stocks.....	156,500	246,400
Specie.....	789,000	953,500
Bank balances, checks and notes.....	167,600	308,400
Real estate.....	227,000	237,600
Total.....	\$ 6,374,300	\$ 7,373,900

<i>Liabilities.</i>	January, 1847.	January, 1848.
Capital.....	2,676,900	2,979,000
Circulation.....	2,220,000	2,690,000
Deposits.....	1,082,000	1,243,000
Surplus.....	238,000	268,000
Six months profits.....	125,000	151,000
In transitu.....	31,000	42,000
Total.....	\$ 6,374,300	\$ 7,372,900

BANK OF VIRGINIA.

By the report of the board of directors at the Lynchburg office, the teller's defalcation amounts to \$85,075 74, and there still remains to be settled an account upon which

credits amounting to about \$8,000 are claimed; and there appear to be securities held by the office, sufficient in amount and of a character to give every reasonable assurance that no material loss to the bank can be sustained by the defalcation.

Of the outstanding debt of the bank and branches there is estimated as bad \$ 500 00
 And as doubtful..... 32,816 01
 Amount to the credit of profit and loss..... 246,862 79
 From which deduct the dividend of 3 $\frac{3}{4}$ per cent. including the bonus to the state..... 95,657 63
 Leaving a surplus fund of..... \$ 151,205 16

O H I O .

BANKS OF CLEVELAND, January, 1848.

<i>Liabilities.</i>	<i>Capital.</i>	<i>Circulation.</i>	<i>Deposits.</i>
Canal Bank.....	\$ 40,000	\$ 51,000	\$ 39,000
City Bank.....	101,122	68,000	66,000
Commercial Bank.....	162,500	281,000	165,000
Merchants' Bank.....	109,750	202,000	57,000
<i>Resources.</i>	<i>Specie.</i>	<i>E. Funds.</i>	<i>Loans.</i>
Canal Bank.....	\$ 12,000	\$ 46,000	\$ 96,000
City Bank.....	24,000	21,000	160,000
Commercial Bank.....	87,000	135,000	302,000
Merchants' Bank.....	54,000	158,000	86,000

M A R Y L A N D .

BANKS OF BALTIMORE, January, 1848.

	<i>Capital.</i>	<i>Circulation.</i>	<i>Deposits.</i>	<i>Specie.</i>
Farmers and Merchants' Bank.....	393,560	109,000	107,000	83,000
Marine Bank.....	309,200	114,000	206,000	96,000
Mechanics' Bank.....	590,724	209,000	545,000	157,000
Farmers and Planters' Bank.....	600,625	426,000	258,000	240,000
Western Bank.....	308,200	257,000	240,000	243,000
Franklin Bank.....	301,850	47,000	61,000	21,000
Bank of Baltimore.....	1,200,000	247,000	455,000	203,000
Union Bank.....	916,350	166,000	277,000	139,000
Chesapeake Bank.....	340,615	106,000	247,000	67,000
Commercial and Farmers' Bank.....	512,560	214,000	359,000	268,000
Merchants' Bank.....	1,500,000	209,000	365,000	315,000

January, 1848..... \$ 6,973,764 \$ 2,104,000 \$ 3,120,000 \$ 1,832,000

January, 1847..... 6,969,329 1,990,000 3,367,000 1,814,000

The increase in bank capital has been in the following banks.

Mechanics' Bank.....	\$ 912
Chesapeake Bank.....	3,523

BANK ITEMS.

Bank Failures in December and January.

			Circulation.
New Jersey,	New Hope and Del. Bridge Co.,	Lambertville,	\$100,000
Pennsylvania,	Susquehanna County Bank,	Montrose,	80,000
Do.	Lewistown Bank,	Lewistown,	
New York,	Atlas Bank,	Clymer,	178,000
Do.	James' Bank,	Jamesville,	70,000
Do.	Northern Exchange Bank,	Brasher Falls,	65,000
Do.	State Bank,	Saugerties,	64,000
Do.	Bank of Cayuga Lake,	Ithaca,	
In addition to the above circulation withdrawn, other country banks have returned to the comptroller about			650,000

NEW BANKS.—The following newly incorporated institutions have commenced operations within the last sixty days:

Maine,	Kenduskeag Bank of Bangor,	capital,	\$100,000
Do.	Biddeford Bank, at Biddeford,	do.	100,000
Vermont,	Stark Bank, Bennington,	do.	50,000
Do.	Commercial Bank at Burlington,	do.	150,000
Do.	Battenkill Bank, Manchester,	do.	50,000
Do.	Ascutney Bank, Windsor,	do.	50,000
Ohio,	Branch State Bank at Tiffin, W. E. Chittenden, cashier.		
Do.	Portage County Branch Bank, Ravenna.		

NORTHERN EXCHANGE BANK.—The bills of the Northern Exchange Bank at Brasher's Falls, St. Lawrence co., New York, are not redeemed at the Agency in this city. They are secured wholly by New York state stocks, and the loss will be inconsiderable. The circulation on the 1st of November last, was \$74,997.

ATLAS BANK OF CLYMER.—*Comptroller's Office, Bank Depart., Albany, Jan. 8, 1848.*—To prevent any unnecessary sacrifice by the holders of the bills of the "Atlas Bank of New York," the comptroller states for the information of the public what securities are held for the redemption of its notes:

New York State 5 per cent. stock, red. in 1862,	\$100,000 00
Do. 5 do. do. do. 1860,	10,000 00
Do. 5 do. do. do. 1855,	2,000 00
Do. 5 do. do. do. 1850,	1,205 17
	\$113,205 17

Also a bond and mortgage for \$65,000, on property in the city of Brooklyn, on the East river, between the Jackson and Catharine-sts. ferries, having a water front of over 500 feet of sufficient depth for vessels of the largest class. Anthony I. Bleecker and Philip Reynolds, Esqs., were appointed commissioners to appraise the value of the land embraced in the above mortgage.

COUNTERFEIT GOLD COIN.—A counterfeit quarter eagle of the New Orleans mint, dated 1843, which had undergone the scrutiny of the best judges, and pronounced good by them and the officers of the Philadelphia mint, has been discovered in New York, by sawing it in two, to be a mere shell of gold, the interior being filled with silver. The gold in it is said to be worth \$1 25. A half eagle of the same character has been discovered, and sweated eagles also, rendering it proper that receivers should be cautious in taking gold coin.

VIRGINIA SMALL NOTE BILL.—The bill authorizing the banks of Virginia to issue small notes was taken up in the state senate on Tuesday last, when a motion was made for its indefinite postponement. The motion, however, was subsequently withdrawn, and the bill, after some discussion, was recommitted to a select committee of nine members, with instructions to report what measures could be adopted to expel notes of other states, less than \$5, and to increase the specie circulation in the commonwealth.

BANKS IN WISCONSIN.—The committee "on banks and banking" in the Convention of Wisconsin, have submitted a report, which urges the following particulars:

1. That but one such law be passed at a time, and but one bank provided for in each law.
2. That all such laws shall, before going into effect, be submitted separately to the people, and be approved by a majority of all the votes cast.
3. Stockholders shall be individually liable for the debts of the corporation.
4. That no law creating a bank, shall authorise any branch or agency.

PENNSYLVANIA RELIEF NOTES IN CIRCULATION.—From the report of the auditor general, the Pennsylvanian gathers, that the amount of mis-called relief notes in circulation, in that state, amounts to \$881,664—\$50,000 having been cancelled on the 1st of December, 1847. Of this amount, \$70,000, issued by the Bank of the Northern Liberties, are at *par*. The other issues are now at a *discount* of $1\frac{1}{2}$ to $2\frac{1}{2}$ per cent. It may be proper to state that the Carlisle Bank charter has expired—the Moyamensing Bank changed its name—the Lewistown, Susquehanna, Berks county, Northampton and Towanda Banks have broken—but this does not affect these notes—the state being bound for their ultimate redemption. The Berks county and Towanda Bank issues have all been redeemed and destroyed at the treasury.

AN "EXTRA" DIVIDEND.—We learn from the *Albany Argus*, that the directors of the Bank of Auburn present as a new year's gift to the stockholders of that institution an extra dividend of *one hundred thousand dollars*, or fifty per cent. on the capital stock of the bank. Such an instance of success in the management of a bank is almost without a parallel, and reflects great credit on the directors for their safe, judicious and faithful management of the interests confided to their charge.

NEW HOPE AND DELAWARE BRIDGE BANK.—We understand that the New Hope and Delaware Bridge Bank officers have received the chief part of the circulation in that neighborhood in payment of bank dues, and the few deposits have been either returned or secured. The Lambertville Telegraph says: The excitement in regard to the failure has pretty much subsided. Clerks are employed in examining and arranging the books and accounts, preparatory to making an assignment of the effects of the institution. The bank, it is said, has a valuable real estate in the bridge, banking house, and lands in New York, Pennsylvania and Illinois, which may, if discreetly applied, prevent any great loss ultimately.

TEXAS.—A new bank, and the only one in Texas, went into operation on the 1st January, at Galveston. Col. Williams, (formerly of Baltimore) was elected president and Mr. McMillan, of Akron, Ohio, was elected cashier. The bank goes into operation under good auspices, with a paid up capital of \$300,000. The charter was granted to Col. W. many years ago, when Texas was a province of Mexico. When Texas became independent, the constitutional convention adopted a clause prohibiting the establishment of corporations with banking powers in the state. The convention, however, admitted the validity of Col. Williams' charter, and accordingly the Agricultural and Commercial Bank of Galveston will be the only banking institution in that state. Under these circumstances, this bank has one of the best locations in the country.

NEW JERSEY BANKS.—The annual statement of the Banks of New Jersey was made to the legislature of that state on the 17th January. From this it appears that there are now twenty-four banks in the state.

Capital stock.....	\$ 3,570,700 00
Circulation, January 1, 1848.....	2,699,429 50
Specie.....	636,388 19
Deposits.....	1,745,581 17
Discounts.....	6,016,075 48
Notes of and due from other banks.....	1,307,981 94
Balances due to other banks.....	248,847 13
Balance of profit and loss, or surplus.....	472,034 51
Real estate owned by banks.....	290,993 81
Suspense, or doubtful.....	67,298 20
Bonds and mortgages.....	213,008 57
Stocks, loans, (special,) &c.....	161,284 60

Notes on the Money Market.*New York, January 27, 1848.*

Since our last notice of the money market, there has been no sudden or surprising change in commercial affairs: but through all the Atlantic and Eastern cities we observe a decided improvement. The rate for money is, indeed, high. In Boston eighteen per cent. per annum is a fair quotation of the market price of undoubted business paper; and in New York, Philadelphia and Baltimore, fifteen per cent. is freely paid for the best paper which is on sale. But the amount of payments is diminishing. The merchants are making no new engagements. A curtailment in business transactions, more rapid than the contraction of the circulating medium, has diminished the demand; and the supply is not proportionably less than it has been.

The news by the *Cambria*, the steamer of the 1st January, from Liverpool, is very good; and show us that business will soon return to its ordinary course; and that confidence, the very basis of commercial prosperity, is in a measure restored.

But we are now in a situation, which leads us to care but little for news from abroad; our domestic affairs not only influence, *but control*, the money markets of this country. A war with Mexico—for no one knows what; to cost—no one knows how much; and to continue until a kind Providence delivers us from the scourge; is draining the country of its wealth. Coin is carried, continually, to the seat of war in considerable sums; and every million of dollars sent to Mexico is lost to us, and nearly lost to the world. To increase the trouble, we have a sub-treasury, which demands all payments in specie. As a result from these two causes, the federal government is in great want of money. The depreciation of treasury notes, causes their payment into the treasury in place of coin; and, unless the creditors of the government can be persuaded to receive notes instead of specie, we hazard little in predicting that but a short time will elapse before the government of the United States will be unable to pay its debts in gold and silver. To prevent the dishonor of such a result, the secretary of the treasury has called on congress to grant a new loan of eighteen millions. This too, in coin, when the aggregate coin of all the banks in the Union is by our tables in this No., shown to be less than fifty millions of dollars. But until the congress can ascertain why the war for which money is wanted was commenced, how far it is to be carried, and when it will end; we do not think that Mr. Walker will receive any aid from the representatives of the people. The committee of ways and means in the house, have introduced a bill, authorising a loan to be made on stock bearing six per cent. interest at a price not less than par; but every member of the committee must know the fact, that it is utterly impossible to negotiate such a loan. The executive and the legislative branches of the government do not harmonize: and until they come to some understanding, little will be done to aid the former. Pending these discussions, uncertainty hangs over the future; and business men and capitalists will do little more than curtail their business and use their capital to the best advantage. So that until either we have the war terminated, or the ways and means of getting money for the treasury decided upon; we shall not have any settled market, nor shall we know what to anticipate. Unless these results are soon reached, business will be dull, and money be in demand at about the present rates, for some months to come. Whenever the course of the administration becomes what it should be, in accordance with the interests of the country; life will be infused into every branch of business, and success be the result of commercial enterprise.

There has been considerable excitement in this city, within the past month, in relation to the country banks of New York. Various rumors have been started by interest-

ed parties to the injury of several interior banks, and strenuous efforts have been made to break down institutions that are founded on as firm a basis as any banks in the world.

Our readers will find, under another head, a list of those few banks whose circulation returned upon them too rapidly for immediate redemption. There are numerous others which we will not name, against which reports were unnecessarily, and without effect, circulated.

Similar efforts would undoubtedly be made against the banks of Connecticut and other New England states, but these are strongly protected at Boston, with which city we can be at any moment in communication. The Suffolk Bank system substantially secures the interior banks from any hue and cry that is raised for speculation in their issues. Although the bank circulation of New England is far from being established upon the secure basis adopted for the new banks of New York, yet the plan of redemption at one central point effectually secures the former from evil or unfounded reports.

We cannot but wish that a similar system could be adopted here. It would manifestly be advantageous to our own country banks. The new banks of this state and Ohio, have their circulation upon a more secure basis than any monied institutions in the world—they furnish security in their own state stocks, dollar for dollar, and this we consider better than a specie basis as usually adopted—a basis which may be removed at the will of the banker.

EXCHANGE.—There has been an advance in sterling bills since January 1, and some sales have been made at 11 per cent. which is equivalent to $1\frac{1}{2}$ above par. The rates for the steamer of 29th January, may be quoted at 9 @ 10. Paris 525 @ 523 $\frac{3}{4}$.

DEATHS.

The late **LOWELL M. STONE**, cashier of the Merchants' Bank, Boston. It is a high compliment to any man, respectably employed, to say that he has won the affectionate regard of those with whom, day in and day out, year after year, he has been associated in labor; but if ever it was true of any person, it certainly was the case with the late Lowell M. Stone. The cheerful assiduity with which he applied himself to his duties in the bank, (especially in the pension department, where he was employed for several years,) his winning ways and untiring urbanity, rendered him a great favorite with every one employed in the institution. The duty of paying off the numerous revolutionary pensioners who called upon him periodically, was by no means an easy one, but Mr. Stone had a happy faculty of not only accomplishing the requisite work, but of rendering himself the idol of these venerable claimants of national bounty.

So entirely satisfactory was his discharge of these and other duties, that, a few months since, upon the sudden death of C. H. Eldredge, Esq., then cashier, the president and directors were unanimous in appointing Mr. Stone to the vacant office. It was a post of great responsibility and labor, rendered the more onerous, because he was not entirely freed from the cares of his former post, and we were not without fear that his constitution would suffer by it; but as had been the case with all former charges entrusted to him, Mr. Stone, hardly in his 32d year, performed his continually increasing task with the approbation of all who knew its nature and extent.

His death, after an illness of only four days, has fallen heavily upon his bereaved widow and family, and to sundry religious and benevolent associations with which he was connected, it is an irreparable loss. Mr. Stone had a health policy at the Massachusetts Office, but was without any life insurance. He left, however, a little property—sufficient, perhaps, for the support of his family—the result of his perseverance and frugality.

At New Orleans, December 26, 1847, **BENJAMIN STORY**, Esq. for many years president of the Bank of Louisiana, in the 80th year of his age.

At Boston, September 3, 1847, **DAVID NICKERSON**, Esq., president of the Mechanics' Bank, at South Boston.

THE
BANKERS' MAGAZINE,
AND
State Financial Register.

VOL. II.

MARCH, 1848.

NO. IX.

BANKING SYSTEM OF NEW YORK.

Report of the "Committee on Banks and Insurance Companies," February, 1848.

The Report of Mr. Ayrault.

Mr. Ayrault, from the committee on banks and insurance companies, to which was referred so much of the message of his excellency the governor, as relates to the subject of banks, made the following report:—

That to a subject so important, whose good or bad administration is so intimately connected with the interests of the people, involving transactions having their influences on the trade and commerce and labor of the people in all departments of industry, they have endeavored to give, as it deserved, a full and mature consideration.

On no subject before the public judgment, has there been greater error of extremes of opinion, so far apart, and so strenuously advocated, that the true theory, the sound decision, has been often among the things most difficult to be attained. It has been vehemently asserted, that all banking was a monopoly, given to the few against the rights of the many, and that government alone had advanced far in the progress of preservation of the happiness and prosperity of the people, which most discouraged and opposed this pursuit. And by the side of this error, grew up its antagonist, holding a doctrine utterly the reverse, and contending for the giving and the granting of privileges and exceptions and franchises inconsistent with that equality and simplicity which is essential in the institutions under which it is our happiness to live.

The great object of your committee has been, in consideration of this question, and of their duties as connected with it, to avoid either of these errors, and to pursue that path which a just view of the wants of the people require, and to which the constitution directed them.

They believe banks and banking are conveniences of business which are to be regulated by the well established common sense practical rules which govern an honest intercourse among men in all the pursuits of trade and

commerce and labor—that there is to be neither mystery or privilege about them, but that their duties are just as clearly defined and definable as those of any other business in life; and that when acting within these regulated limits they are valuable instruments of the movements of society; but that whenever more than this is asked, or attempted, and they are thrown into the combat of political or personal strife, they become obnoxious, and are worthy of the disapprobation of the people, expressed through their laws.

All the action on this question which your committee intend to recommend, will be based on this principle, as the cardinal feature in a system of banking; that to every creditor of a bank, whether that indebtedness arises from the note that is put out for circulation, or the deposit taken for safe keeping, there shall be a basis of actual capital, secured in as safe, perfect and absolute a manner, as the most cautious, far-seeing human sagacity will admit of being necessary to establish.

The principles which your committee intend respectfully to recommend as proper to be moulded into law on this subject, will be found to be few and simple. They believe the technical language, the complex statement, the perplexing detail, which has been so much used, to be altogether unnecessary, and that they best represent the intelligence and dignity of the senate in presenting their views as business men—as friends of such modifications of the law, as will tend to simplify the movements and strengthen the solvency of the currency.

A new constitution, matured after protracted debate and deliberation, and adopted and sanctioned by the expressed voice of the people, has, in reference to corporate powers, established a new principle, and one which is controlling on the action of the legislature. While it sanctions the giving of such power—the forming of such organizations, it has prescribed the method to be, not a specific grant, but a general law; and acting in obedience to this rule, your committee have matured a bill for the institution and regulation of banks, under which, without favoritism, or special privilege, but with sufficient guard and abundant restriction, all who choose to organize under its provisions may do so, in conformity with the cherished and approved doctrines of monopoly to none, equal rights to all.

A favorite object of your committee has been, in the law which they have the honor to report at this time, to secure in the daily business of the bank, the employment of capital—a capital paid in, in the legal tender of the country, or its equivalent; a solid, secure working basis for the business of the country, always to be relied upon; not liable to sudden expansion or contraction; not easily affected by spasmodic alarm or rumored failure; kept in healthy action, in vigorous business pursuits; a solid representation of a safe circulation, and an efficient basis for a sound system of finance. Examination of the details of the law will, it is hoped, satisfy the senate, that the first object of the committee has been to make a banking system under which the business of the country could be honestly, fairly, safely pursued—one which the people would sanction, approve, and give their confidence.

A general law on the subject of banking, to be at once protected and accessible, sufficiently restrained and yet adequate to the purposes of business, your committee have found no easy task to frame. Indeed the difficulties in preparing such an enactment, where all proper facilities must be granted, and all proper guards maintained, have been so great as to have impressed on the minds of your committee with force, the responsibility of the duties entrusted to them.

The first proposition distinctly traced out and embodied has been, that it should be open to all; that the privilege of issuing a currency (and it assur-

edly is one) should be within the reach of all who complied with the rules required by a just solicitude for the protection of the people from fraud, injustice, the want of a right knowledge of business, or the cunning ingenuity of the sharper.

No system of banking can be called sound which is not based upon business, a vigorous business, in all its relations. Our people are a business people; we cannot be inactive. The swelling of the tide of trade, of commerce and labor, must be met, and our institutions adapted to it. While there is circulation abroad, there must be facilities at home. While the exchanges are active, so must be the deposits. The bullion and the paper must interchange; and wherever the bank is placed, it must be a bank of business; if it be not, it is conclusive proof that it should not exist at all.

The bill your committee introduced provides that publicity be given to the names of the individuals who are to compose the institution—that their responsibility—their means of doing business—their associations—their characters may be known to the people with whom their business is to be done, and to the state at large, through which the currency issued by them is to circulate. And thus the quiet and security of the public is enhanced by furnishing them the means of knowing on whom this confidence is bestowed.

In our system of banking no measure has been adopted of greater utility, or more universally approved, than the registration of notes issued by the financial officer of the state. It is a salutary guard against fraudulent issues. And your committee have embodied the same in the bill submitted, with all the salutary provisions of the present statutes in relation to it, made applicable to the circulation which shall be issued by banks formed under the provisions of this law.

But the committee beg leave to refer for most of the particulars of their plan to the bill itself. It will therein be found that efficient measures are taken to protect the rights of the stockholders—the election of their officers are guarded, and the peculiar obligations to the bank of such officers, are limited to an extent beyond the present laws. Sound regulations are prescribed in reference to the property which a bank may hold. A tariff of circulation, such as has been approved by the people for a series of years, made permanent. And, in brief, whatever could operate as a wise measure of security, has, in the belief of the committee, been prescribed. And, at the same time, the business of a bank is so defined as to make it certain that when pursued in a legitimate manner, by honest and careful men, it will afford them a fair remuneration for the investment of capital, industry, and attention. If such are not the features of the bill, it has been only from the failure of the most honest intention that such should be their character.

The important business of the present financial institutions of our state, under whatever law formed, has been carefully considered; and acting in the spirit of the principles of a general law, every facility has been provided to enable all such institutions, which show a healthy sound action in doing a legitimate business, an unimpaired capital and a solid basis, to come in and organise under this law. No great and sudden change has been deemed advisable, but the effort has been to make the transition from a special charter or a different system, to the provisions of the law now reported, an easy one—not likely to affect unfavorably the great business interests of the state.

A thorough supervision has been delegated to the comptroller, whose department, by this enactment, will have the power at all times to know, as precisely as is possible, the condition of the entire banking system; to know

it by a home examination of competent men, conversant with the nature and character of the assets of the bank with its debtors, with half that appertains to it. And so completely is every avenue of information made accessible to this officer, that it is believed that he will at times be able to make the public acquainted with the true condition of any bank in the state—its character and whether it is entitled to their confidence and credit. A security full and ample has been provided in the requisition of a capital paid in and possessed; but to add new guards to that and to make the security still more ample, a fund is erected for the safety of the public, to which all must contribute; which fund is secured in the strictest manner, and placed under the watchful care of the financial officer of the state: and when the institution has not by years of honorable management achieved a reputation for fidelity and business-like conduct, greater guarantees are provided. At home and abroad, the bank is made to feel that its first duty is to make the public, who receive its circulating notes, perfectly secure. The vigilance of each institution is excited to watch over the others and the unsullied credit of the state in its stock, is made the basis of the fund which, should the well secured capital of any bank fail, the people, for their security, would yet have access.

The committee present to the senate no hastily matured plan. Whatever may be its errors, they are not those of inattention. A sound currency is the life of business, and is one of the distinguishing features of a free people. One of the first objects of government should be, the establishment of wise laws on this subject. Your committee have not been unmindful of the obligations that are due from the banks to the people, created by them, with the privilege of furnishing the currency that is to be the medium of the business of every day. They are bound to see to it, that all their liabilities shall be secure, and promptly paid. Nor have they forgotten the obligations of the legislature, to enact such laws as shall give to all the departments of business, proper facilities for the safest and most vigorous action. On principles like these, it is believed the bill now introduced is based, and they commit it to the judgment of the senate, with the conviction that the wisdom of this body will correct whatever errors may, in the multiplicity of detail, be found in its preparation.

An Act for the Formation of Banks.

The people, &c. do enact as follows:—

Sec. 1. It shall be lawful for any person, a resident of this state, or any number of persons associated, a majority of whom shall reside within this state, to establish an office of discount, deposit and circulation upon the terms and conditions, and subject to the liabilities hereinafter prescribed; but the aggregate amount of the capital to be actually employed in the business of any such bank hereby created shall not be less than \$100,000; but no bank formed under the provisions of this act, and located in the city and county of New York, shall have a less capital than \$500,000, nor in any other cities of this state with a less capital than \$250,000. The business of banking of any such bank, as hereinafter defined, shall be carried on at the place where said bank shall be located, and not elsewhere.

The second section requires the person, or persons, so establishing a bank to make a certificate, under the hands and seals, which shall specify the name of the bank, the place where it is to be located, and where its business is to be transacted; the amount of capital and stock, and the aggregate number of shares—the names and residences of the stockholders, and the amount of shares held by them respectively; the existence of all these banks is limited to twenty years, but if they shall cease to do business before the expiration of that time, they will not be allowed to withdraw their contribution in this act, directed to be made prior to the said term of twenty years.

The third section requires the certificate above noticed to be filed with the secretary of state and with the clerk of the county where the bank is located. The bank being so organized, and its capital paid in, will have power to carry on the business of banking in the mode now prescribed.

The fifth and sixth sections make provision for the election of the president and directors of the several banks.

The seventh section forbids the officers or directors of any bank so organized to borrow from it an amount which shall, in the aggregate of the indebtedness of all such officers, be more than one-fifth of its capital stock.

The eighth section forbids any bank so organized to take or hold any part of its stock—except when the same shall be hypothecated, in good faith—in security for a debt or loan; and in such case the shares of stock so hypothecated, shall be sold within sixty days, after such debt shall have become due, according to the terms of such hypothecation, and the avails thereof applied in discharge of the debt; and if there shall be more than sufficient to pay such debts, the balance shall be paid to the owner of the stock.

The ninth section authorises any bank so organized to hold and convey such real estate as shall be requisite for its immediate accommodation in the transaction of its business; or such as shall have been mortgaged to it by way of security, for loans previously contracted; or for money due; or such as shall have been conveyed to it, in satisfaction of debts previously contracted; or such as shall have been purchased, at sales, upon judgments, decrees, or mortgages, obtained or made for such debts; or upon prior liens as may be necessary in security of such debts. The said banks shall not purchase, hold, or convey real estate in any other case or for any other purpose.

The tenth section prohibits any such bank from buying or selling any goods, wares, merchandise, or commodities whatever, or any stock created under any act of the United States, or of any state, unless in selling the same when truly pledged as security for debts due to such bank; except so far as may be necessary to purchase and hold the stocks of this state in securing its circulating notes.

Section ten declares that all the obligations and evidences of debt of any such bank shall be obligatory upon such bank, and shall be assignable and negotiable in like manner as if made or issued by a private person; but every note, bill, or evidence of debt, purporting to be a bank note, issued by said bank, shall be deemed and taken to be payable on demand at the banking house of the said bank.

Section twelve makes every bank organised under this act, subject to the provisions of the act entitled "An act relating to the redemption of bank notes," passed May 4, 1840; and of the act entitled "An act to abolish the office of bank commissioner, and for other purposes," passed April 18, 1843; and of the third section of the act entitled "An act suspending for a limited time certain provisions of law, and for other purposes," passed May 16, 1837. Every such bank will be required to keep in deposit with the comptroller, a sum equal to ten per cent. of the circulating notes received from the comptroller, which deposit shall be in six per cent. stock of this state; and said deposit shall not be withdrawn during the term (20 years) to which the existence of the bank is limited. This section also authorises the comptroller to change the plates of bank notes in his possession.

The thirteenth section instructs the comptroller to keep the deposit, mentioned in the last section, as a trust fund, pledged and appropriated specifically to the redemption of the notes issued by such bank, and for no other purpose whatever; in case of the default of any bank to redeem its circulating notes, in gold or silver, the comptroller will redeem them from the avails of the deposit above mentioned; but while the banks redeem their notes, there will be paid to them, by the comptroller, the interest received from the investment, in ratable proportion, of such deposit.

The fourteenth section authorises the comptroller, to appoint an impartial agent, to examine at any time, into the condition of any such bank, in all its details, and aspects. The services of such agent to be paid for, by the bank so examined. Such an examination of any bank will be made on the application of any other two banks, if, in the judgment of the comptroller, there are good reasons, why such an investigation should be made.

Section sixteen contains provisions to make the circulating notes of any bank equal at all times to the amount of capital stock possessed by it; the taxation on any bank to be upon the amount of its actual capital, and in no case shall such capital be rated, for purposes of taxation, at less than the amount of circulating notes received from the comptroller.

Section nineteen authorises the directors of any such bank to make dividends from the surplus profits; but in case the capital stock shall become impaired, no dividend shall be made, until the same shall be restored to its full amount, as originally certified.

Section eighteen provides that no transfer of any stock in the said bank shall be valid until such transfer is duly registered in a book kept for that purpose, such book to be open at all times to the inspection of any person holding a bill, &c. of said bank, the payment of which shall have been refused; this inspection must be allowed under a penalty, to the officer having charge of such book, of \$250.

Section twenty authorises any of the banks now in existence, to reorganise under the provisions of this act, if they are in a perfectly solvent condition; and if they comply with all the provisions of this act; but no bank now in existence will be permitted to do this until it has discharged all its obligations to the safety fund.

Section twenty-two provides that any other bank, organising under the provisions of this act, shall *pro tem.* deposit with the comptroller for the purposes mentioned in section thirteen, six per cent. stocks of this state, a sum equal to the amount of their circulating notes; at the end of a year after such deposit, if the comptroller thinks proper, he may return to said bank one-third of said deposit, and at the end of the second year another third of said deposit, and at the end of the third year, if the condition of the bank warrants it, he may return to the bank the balance of said deposit, except the amount of ten per cent. upon its circulating notes, as prescribed in the twelfth section of this act.

Section twenty-three provides that if the securities deposited with the comptroller, as provided in the 12th and 13th sections of this act, shall be impaired or reduced by the redemption of the circulating notes of any defaulting bank, the provision made in the 8th section of the 8th article of the constitution, for the redemption of such circulating notes, shall be applicable and held good to replace the said securities so deposited to their original value.

Section twenty-three provides that every bank so organised shall possess the general powers of a corporation, as defined in the 18th chapter of the first part of the revised statutes, and shall be subject to the provisions contained in that chapter, except so far as the same have been repealed.

As the new banking law is an object of general interest, especially to the business community, we have prepared, as a table of reference, the following list of banks, designating the year in which their charters expire. The list contains all the chartered institutions of the state.

1849.—Merchants' Exchange Bank—\$750,000 of capital.

1850.—Bank of Auburn; Bank of Ithaca; Bank of Monroe at Rochester; Bank of Ogdensburg; Bank of Utica and its branches at Canandaigua, being \$1,400,000 of capital.

1851.—Bank of Newburgh; New York State Bank, Albany—\$509,000 of capital.

1852.—Bank of Genesee, at Batavia; City Bank, New York—\$820,000 of capital.

1853.—Bank of America, New York; Bank of Geneva; Bank of New York; Bank of Troy; Butchers and Drovers' Bank; Farmers' Bank, Troy; Bank of Catskill; Mechanics and Farmers' Bank, Albany; Mohawk Bank, Schenectady; Union Bank, New York—\$6,476,200 capital.

1854.—Merchants and Mechanics' Bank, Troy; Onondaga Bank; Phenix Bank, New York; Otsego Co. Bank; Jefferson Co. Bank; Canal Bank of Albany—\$2,250,000 of capital.

1855.—Bank of Albany; Bank of Lansinburgh; Broome County Bank; Dutchess Co. Bank; Central Bank, Cherry Valley; Greenwich Bank, New York; Hudson River Bank, Hudson; Livingston County Bank; Mechanics' Bank, New York; Tradesmens' Bank, New York—\$3,470,000 of capital.

1856.—Ontario Bank, Canandaigua; Bank of Chenango County—\$620,000 of capital.

1857.—Mechanics and Traders' Bank, New York; Merchants' Bank, New York; Montgomery Co. Bank; National Bank, New York; Saratoga County Bank—\$2,640,000 of capital.

1858.—Madison County Bank; Bank of Poughkeepsie—\$200,000 of capital.

1859.—Bank of Whitehall; Yates County Bank—\$200,000 of capital.

1860.—Brooklyn Bank; Chatauque County Bank; Tanners' Bank, Catskill—\$400,000 of capital.

1861.—Ulster County Bank—\$100,000 of capital.

1862.—Bank of Orange County; Bank of Rome; Bank of Salina; Essex County Bank; Leather Manufacturers' Bank; Schenectady Bank; Steuben County Bank;—1,355,660 of capital.

1863.—Cayuga County Bank; Chemung Canal Bank, Elmira; Herkimer County Bank; Seneca County Bank; Seventh Ward Bank; Troy City Bank; Westchester County Bank;—\$1,850,000 of capital.

1864.—Farmers and Manufacturers' Bank, Poughkeepsie; Highland Bank, Newburgh; Albany City Bank; Bank of Orleans—\$1,200,000 of capital.

1865.—Sackett's Harbor Bank—200,000 of capital.

1866.—Bank of Owego; Tompkins County Bank; Bank of the State of New York; Kingston Bank; Oneida Bank; Rochester City Bank—\$2,450,000 of capital.

This list exhibits the capital which would be withdrawn from business in each successive year—and demonstrates the necessity of a system like that proposed by Mr. Ayrault's bill—which will allow all this solid and sure capital to be uninterruptedly employed in the active business of the country.

New York Courier and Enquirer.

BANKS OF OHIO.

The act to incorporate the "State Bank of Ohio and other Banking Companies," was passed Feb. 24, 1845, by which the state was apportioned into districts, dividing the aggregate capital amongst them, according to the amount of business in each as nearly as could be.

A branch of the State Bank with a capital of \$100,000 can issue \$200,000 of circulation—and one of \$200,000, or less, for the amount of capital, over \$100,000, \$1½ per dollar. Over \$200,000 up to \$300,000, \$1¼ per dollar for the amount over \$200,000; and so on, lessening in circulation as the capital is increased. 10 per cent. of the circulation received is set apart and invested, by bond and mortgage on real estate, at half its appraised value, exclusive of buildings and improvements, or may be invested in Ohio or United State stocks at their saleable value.

The branches are required to receive the notes of any failing branch, and at all times to take them in payment of debts.

25 per centum of the circulation outstanding, must be kept on hand in coin, and in addition 5 per cent. subject to sight checks in specie, in one or all of the cities of Baltimore, Philadelphia or New York.

No branch can suspend specie payments without a forfeiture of its charter.

The president of the board of control, Gustavus Swan, Esq. is the president of the "State Bank," and signs, as president, the notes issued to all the branches.

Each branch is entitled to send a member of the board of control. The board of control meet at Columbus, regularly twice a year, and as often in the meantime, as there are branches applying for admission. The board pass general rules for the government of the branches, and have a general supervision of them. Each branch is examined once every six months by some member of the board, whose report is filed in the office of the board, subject to examination by any member thereof; and the books and papers in their office are open to examination by a committee for that purpose appointed by the legislature.

GREAT BRITAIN.

Income and expenditure for the years ending January 5, 1845, 1846 and 1847.

<i>Income.</i>	1845.	1846.	1847.
Customs.....	24,277,477	20,196,856	20,568,909
Excise.....	14,469,366	13,585,583	13,988,310
Stamps.....	7,327,803	7,710,683	7,505,180
Land and assessed taxes.....	4,429,870	4,223,842	4,272,409
Property tax.....	5,329,600	5,026,570	5,395,391
Post office.....	1,705,067	753,000	845,000
Crown lands.....	441,583	120,000	120,000
China indemnity.....	385,007	1,142,924	667,644
Surplus fees.....	46,669	41,839	226,513
Miscellaneous.....	347,904	259,056	200,777
Total revenue.....	£ 58,760,346	£ 53,060,353	£ 53,790,138
<i>Expenditures.</i>			
Public debt.....	26,005,107	23,847,243	23,739,573
Terminable annuities.....	3,958,507	3,980,022	3,916,982
Navy.....	5,858,219	6,809,873	7,803,464
Army.....	6,178,714	6,744,589	6,699,700
Ordnance.....	1,924,311	2,109,707	2,361,534
Annuities, pensions, &c.....	555,552	544,408	532,660
Salaries and allowances.....	232,871	249,645	265,978
Civil list.....	391,284	392,165	393,061
Diplomatic salaries and pensions.....	181,186	175,192	175,056
Courts of Justice.....	743,094	769,433	870,409
Interest on exchequer bills.....	531,843	426,607	421,432
Miscellaneous.....	4,086,961	3,193,829	3,264,338
Excess of revenue.....	3,486,570	3,817,640	2,846,306
Charges of collection, &c.....	4,626,127		499,653
Total expenditure.....	£ 58,760,346	£ 53,060,353	£ 53,790,138

British Revenue.—Duties accrued upon imports into Great Britain for the year 1846.
From the British Almanac, 1848.

Animals.....	£ 3,743	Clover seed.....	89,384
Butter.....	136,981	Silks.....	236,400
Cheese.....	89,451	Spices.....	117,890
Coffee, 23,794,782 pounds.....	416,432	Rum, 2,683,515 gallons....	1,219,493
“ 12,986,609 “ ...	340,980	Brandy, 1,515,954 “	1,166,270
Grain.....	793,218	Geneva, 40,266 “	30,680
Eggs.....	26,360	Sugar.....	3,906,716
Fish.....	2,588	Molasses, 582,000 gallons..	153,663
Fruits.....	571,620	Tallow.....	90,326
Gloves.....	34,890	Tea, 46,728,000 pounds...	5,111,010
Hams.....	3,010	Timber.....	1,124,510
Copper, 10,878 tons.....	54,283	Tobacco, 26,700,000.....	4,211,124
Other metals.....	2,980	“ manufactured....	125,040
Oil.....	52,290	Wine.....	1,959,620
Opium.....	1,826	Miscellaneous.....	309,469
Rice.....	14,782	Total, 1846, £ 22,497,029.	

LIFE OF AN USURER.

HUGH AUDLEY.

There are memoirs of this remarkable man in a rare quarto tract, entitled "The Way to be Rich, according to the practice of the great Audley, who began with two hundred pounds in the year 1605, and died worth four hundred thousand." He died on the 15th of November, 1662, the year wherein the tract was printed.

Hugh Audley was a lawyer, and a great practical philosopher, who concentrated his vigorous faculties in the science of the relative value of money. He flourished through the reigns of James I., Charles I., and held a lucrative office in the "court of wards," till that singular court was abolished at the time of the restoration. In his own times he was called "The great Audley," an epithet so often abused, and here applied to the creation of enormous wealth. But there are minds of great capacity, concealed by the nature of their pursuits; and the wealth of Audley may be considered as the cloudy medium through which a bright genius shone, of which, had it been thrown into a nobler sphere of action, the "greatness" would have been less ambiguous.

Audley, as mentioned in the title of his memoir, began with two hundred pounds, and lived to view his mortgages, his statutes, and his judgments so numerous, that it was observed, his papers would have made a good map of England. A contemporary dramatist, who copied from life, has opened the chamber of such an usurer, perhaps of our Audley—

—Here lay
A manor bound fast in a skin of parchment,
The wax continuing hard, the acres melting,
Here a sure deed of gift for a market town,
If not redeemed this day, which is not in
The unthrift's power; there being scarce one shire
In Wales or England, where my monies are not
Lent out at usury, the certain hook
To draw in more.

Massinger's City Madam.

This genius of thirty per cent. first had proved the decided vigor of his mind, by his enthusiastic devotion to his law-studies. Deprived of the leisure for study through his busy day, he stole the hours from his late nights and his early mornings; and without the means to procure a law-library, he invented a method to possess one without the cost; as fast as he learned, he taught; and by publishing some useful tracts on temporary occasions, he was enabled to purchase a library. He appears never to have read a book without its furnishing him with some new practical design, and he probably studied too much for his own particular advantage. Such devoted studies was the way to become a lord chancellor; but the science of the law was here subordinate to that of a money-trader.

When yet but a clerk to the clerk in the counter, frequent opportunities occurred which Audley knew how to improve. He became a money-trader as he had become a law-writer, and the fears and follies of mankind were to furnish him with a trading capital. The fertility of his genius appeared in expedients and in quick contrivances. He was sure to be the friend of all men falling out. He took a deep concern in the affairs of his master's clients, and often much more than they were aware of. No man so ready at procuring bail or compounding debts. This was a considerable traffic

then, as now. They hired themselves out for bail, swore what was required, and contrived to give false addresses. It seems they dressed themselves out for the occasion: a great seal-ring flamed on the finger, which, however was pure copper gilt, and they often assumed the name of some person of good credit. Savings, and small presents for gratuitous opinions, often afterwards discovered to be very fallacious ones, enabled him to purchase annuities of easy landholders, with their treble amount secured on their estates. The improvident owners, or the careless heirs, were soon entangled in the usurer's nets; and after the receipt of a few years, the annuity, by some latent quibble, or some irregularity in the payments, usually ended in Audley's obtaining the treble forfeiture. He could at all times out-knave a knave. One of these incidents has been preserved. A draper, of no honest reputation, being arrested by a merchant for a debt of 200*l.* Audley bought the debt at 40*l.*, for which the draper immediately offered him 50*l.* But Audley would not consent, unless the draper indulged a sudden whim of his own: this was a formal contract, that the draper should pay within twenty years, upon twenty certain days, a penny doubled. A knave in haste to sign is no calculator; and, as the contemporary dramatist describes one of the arts of those citizens, one part of whose business was

"To swear and break—they all grow rich by breaking"—

the draper eagerly compounded. He afterwards "grew rich." Audley, silently watching his victim, within two years, claims his doubled pennies, every month during twenty months. The pennies had now grown up to pounds. The knave perceived the trick, and preferred paying the forfeiture of his bond for 500*l.*, rather than to receive the visitation of all the little generation of compound interest in the last descendant of 2000*l.*, which would have closed with the draper's shop. The inventive genius of Audley might have illustrated that popular tract of his own times, Peacham's "worth of a penny;" a gentleman who, having scarcely one left, consoled himself by detailing the numerous comforts of life it might procure in the days of Charles II.

Such petty enterprises at length assumed a deeper cast of interest. He formed temporary partnerships with the stewards of country gentlemen. They underlet estates which they had to manage; and, anticipating the owner's necessities, the estates in due time became cheap purchases for Audley and the stewards. He usually contrived to make the wood pay for the land, which he called "making the feathers pay for the goose." He had, however, such a tenderness of conscience for his victim, that, having plucked the live feathers before he sent the unfledged goose on the common, he would bestow a gratuitous lecture in his own science—teaching the art of making them grow again, by showing how to raise the remaining rents. Audley thus made the tenant furnish at once the means to satisfy his own rapacity, and his employer's necessities. His avarice was not working by a blind, but on an enlightened principle; for he was only enabling the landlord to obtain what the tenant, with due industry, could afford to give. Adam Smith might have delivered himself in the language of old Audley, so just was his standard of the value of rents. "Under an easy landlord," said Audley, "a tenant seldom thrives; contenting himself to make the just measure of his rents, and not laboring for any surplusage of estate. Under a hard one, the tenant revenges himself upon the land, and runs away with the rent. I would raise my rents to the present price of all commodities: for if we should let our lands, as other men have done before us, now other wares daily go on in price, we should fall backward in our estates." These axioms of political economy were discoveries in his day.

Audley knew mankind practically, and struck into their humors with the versatility of genius: oracularly deep with the grave, he only stung the lighter mind. When a lord, borrowing money, complained to Audley of his exactions, his lordship exclaimed, "what, do you not intend to use a conscience?" "Yes, I intend hereafter to use it. We monied people must balance accounts: if you do not pay me, you cheat me; but, if you do, then I cheat your lordship." Audley's monied conscience balanced the risk of his lordship's honor, against the probability of his own rapacious profits. When he resided in the temple among those "pullets without feathers," as an old writer describes the brood, the good man would pule out paternal homilies on improvident youth, grieving that they, under pretence of "learning the law, only learnt to be lawless;" and "never knew by their own studies the process of an execution, till it was served on themselves." Nor could he fail in his prophecy; for at the moment that the stoic was enduring their ridicule, his agents were supplying them with the certain means of verifying it; for, as it is quaintly said, he had his *decoying* as well as *de-caying* gentlemen.

Audley was a philosophical usurer: he never pressed hard for his debts; like the fowler, he never shook his nets lest he might startle, satisfied to have them, without appearing to hold them. With great fondness he compared his "bonds to infants, which battle best by sleeping." To battle is to be nourished, a term still retained at the university of Oxford. His familiar companions were all subordinate actors in the great piece he was performing; he too had his part in the scene. When not taken by surprise, on his table usually lay opened a great bible, with bishop Andrew's folio sermons, which often gave him an opportunity of railing at the covetousness of the clergy! declaring their religion was "a mere preach;" and that "the time would never be well till we had queen Elizabeth's Protestants again in fashion." He was aware of all the evils arising out of a population beyond the means of subsistence. He dreaded an inundation of men, and considered marriage, with a modern political economist, as very dangerous; bitterly censuring the clergy, whose children, he said, never thrived, and whose widows were left destitute. An apostolical life, according to Audley, required only books, meat, and drink, to be had for fifty pounds a year! Celibacy, voluntary poverty, and all the mortifications of a primitive Christian, were the virtues practised by this puritan among his money bags.

Yet Audley's was that worldly wisdom which derives all its strength from the weakness of mankind. Every thing was to be obtained by stratagem, and it was his maxim, that to grasp our object the faster, we must go a little round about it. His life is said to have been one of intricacies and mysteries, using indirect means in all things; but if he walked in a labyrinth, it was to bewilder others; for the clue was still in his own hand; all he sought was that his designs should not be discovered by his actions. His word, we are told, was his bond; his hour was punctual; and his opinions were compressed and weighty; but if he was true to his bond word, it was only a part of the system to give facility to the carrying on of his trade, for he was not strict to his honor; the pride of victory, as well as the passion for acquisition, combined in the character of Audley, as in more tremendous conquerors. His partners dreaded the effects of his law-library, and usually relinquished a claim rather than stand a suit against a latent quibble. When one menaced him by showing some money bags, which he had resolved to empty in law against him, Audley, then in office in the court of wards, with a sarcastic grin, asked, "whether the bags had any bottom?" "Ay!" replied the exulting possessor, striking them. "In that case I care not," retorted the cynical officer of the court of wards; "for in this court I have a

constant spring; and I cannot spend in other courts more than I gain in this." He had at once the meanness which would evade the law, and the spirit which could resist it.

The genius of Audley had crept out of the purlieus of Guildhall, and entered the temple; and having often sauntered at "Powles" down the great promenade which was reserved for "Duke Humphrey and his guests," he would turn into that part called "The Usurer's Alley," to talk with "thirty in the hundred," and at length was enabled to purchase his office at that remarkable institution, the court of wards. The entire fortunes of those whom we now call wards in chancery were in the hands, and often submitted to the arts or the tyranny of the officers of this court.

When Audley was asked the value of this new office, he replied, that "it might be worth some thousands of pounds to him who after his death would instantly go to heaven; twice as much to him who would go to purgatory; and nobody knows what to him who would adventure to go to hell." Such was the pious casuistry of a witty usurer. Whether he undertook this last adventure, for his four hundred thousand pounds, how can a sceptical biographer decide! Audley seems ever to have been weak, when temptation was strong.

Some saving qualities, however, were mixed with the vicious ones he liked best. Another passion divided dominion with the sovereign one: Audley's strongest impressions of character were cast in the old law-library of his youth, and the pride of legal reputation was not inferior in strength to the rage for money. If in the "court of wards" he pounced on encumbrances which lay on estates, and prowled about to discover the craving wants of their owners, it appears that he also received liberal fees from the relatives of young heirs, to protect them from the rapacity of some great persons, but who could not certainly exceed Audley in subtlety. He was an admirable lawyer, for he was not satisfied with *hearing*, but *examining* his clients; which he called "pinching the cause where he perceived it was soundered." He made two observations on clients and lawyers, which have not lost their poignancy. "Many clients, in telling their case, rather plead than relate it, so that the advocate heareth not the true state of it, till opened by the adverse party. Some lawyers seem to keep an assurance-office in their chambers, and will warrant any cause brought unto them, knowing that if they fail, they lose nothing but what was lost long since, their credit."

The career of Audley's ambition closed with the extinction of the "court of wards," by which he incurred the loss of above 100,000*l*. On that occasion he observed, that "his ordinary losses were as the shavings of his beard, which only grew the faster by them; but the loss of this place was like the cutting off of a member, which was irrecoverable." The hoary usurer pined at the decline of his genius, discoursed on the vanity of the world, and hinted at retreat. A facetious friend told him a story of an old rat, who having acquainted the young rats that he would at length retire to his hole, desiring none to come near him: their curiosity, after some days, led them to venture to look into the hole; and there they discovered the old rat sitting in the midst of a rich parmesan cheese. It is probable that the loss of the last 100,000*l*. disturbed his digestion, for he did not long survive his court of wards.

Such was this man, converting wisdom into cunning, invention into trickery, and wit into cynicism. Engaged in no honorable cause, he, however, showed a mind resolved, making plain the crooked and involved path he trod. *Sustine et abstine*, to bear and to forbear, was the great principle of Epictetus, and our monied stoic bore all the contempt and hatred of the liv-

ing smilingly, while he forbore all the consolations of our common nature to obtain his end. He died in unblest celibacy. And thus he received the curses of the living for his rapine, while the stranger who grasped the million he had raked together, owed him no gratitude at his death.—*D'Israeli*.

AVARICE.

There are two sorts of avarice. One consists in a solicitude to acquire wealth for the sake of those advantages which wealth bestows, and the dread of poverty and its attendant evils; the other, in an anxiety for wealth on its own account only, and which sacrifices to the attainment of it every advantage that wealth can give. The first is the exaggeration of a quality, which when not carried to excess is praiseworthy, and is called economy. The other, when indulged in the extreme, produces the effect of a species of prodigality. Where is the great difference between the man who reduces himself to the want of the common necessities of life, by completing a collection of books, pictures, or medals, and the man who brings himself in effect to the same situation, for the sole end of leaving a precise sum of money to his executors? What signifies whether I starve myself and my family, because I will possess a copper farthing of Otho, or will not part with a golden guinea of king George?

But if there is more folly in one, the other is more likely to be productive of vice. A man who considers wealth as the object of his passion, will hardly refrain from acts of dishonesty when strongly tempted, and yet some of these jackdaw hoarders are men of inviolable integrity.

There are remarkable instances of improvident expenditure by misers on particular occasions. The money-loving Elwes, at his first election for Berkshire, besides opening houses, giving ribbons, and incurring every expense common on those occasions, dispersed guineas and half guineas among the populace, with a profusion as useless as unprecedented.

Perhaps there is no character so seldom to be met with, as that of a man who is strictly reasonable in the value he sets on property—who can be liberal without profusion, and economical without avarice.

BIOGRAPHICAL SKETCHES.

From the Annual Biography and Obituary for the year 1823. London.

THOMAS COUTTS, Esq.

The decease of a gentleman who had not only moved for a long series of years in the highest circles in the metropolis, but who was unquestionably, in wealth and importance, at the head of the banking and monied interest of England, could hardly fail to excite a great sensation in the public mind. But there are other extraordinary circumstances connected with his fortunes, and their almost unparalleled elevation, to say nothing of the peculiarity of his matrimonial engagements, which must render a sketch, however brief, of the principal circumstances of his life, abundantly curious and interesting.

The late Mr. Coutts' family was of eminently respectable origin. His father was a native of Dundee, where he continued to reside for many years. He subsequently removed to Edinburgh, where he carried on the business (not of a *banker*, for the term was unknown in those days, but) of a merchant. He is described as having been steady, careful, and diligent

exemplary and regular in his conduct; and generally respected as a man of the strictest integrity, a character which his son maintained throughout a protracted life unsullied and unimpugned. He married a daughter of Sir John Stuart, of Allan Bank, in Berwickshire; Sir John Stuart's mother was a daughter of Mr. Ker, of Morrison, in the same county; and Mr. Ker's mother was Miss Grizzle Cochrane, daughter of Sir John Cochrane, second son of William, first Earl of Dundonald. A very singular anecdote is related of this lady, which presents an almost unexampled instance of female heroism and filial affection. Sir John Cochrane being engaged in Argyle's rebellion against James II., was taken prisoner after a desperate resistance, and condemned to be hanged. His daughter, having noticed that the death warrant was expected from London, attired herself in men's clothes, and twice attacked and robbed the mails, between Belford and Berwick, which conveyed the death warrants. Thus, by delaying the execution, she gave time to Sir John Cochrane's father, the Earl of Dundonald, to make interest with father Peter, (a jesuit,) King James' confessor, who, for the sum of five thousand pounds, agreed to intercede with his royal master in favor of Sir John Cochrane, and to procure his pardon, which was effected. His great-grand-daughter, Miss Stuart, of Allan Bank, married the late Mr. Thomas Coutts' father, and brought him *four* sons, Peter, John, James, and Thomas. Peter engaged in mercantile business with his father, and died unmarried, after a confinement of thirty years in the Lunatic Asylum, at Hackney. John also engaged in his father's concerns, and succeeded him in the firm. James, the third son, was in the first instance connected with his father; but afterwards became a partner in a house in London, in St. Mary Axe, in constant correspondence with that of John Coutts & Co., Edinburgh. In the year 1754 or 5, he married the only daughter of Mr. Peagrim who was a partner in the house of Middleton & Campbell, afterwards Campbell & Peagrim. The edifice in which their business was conducted, is that at present occupied by the firm of Coutts & Co. Mr. James Coutts became a partner in that house, and on the death of Campbell, succeeded to the whole concern. He had only one child, a daughter, who afterwards married her cousin-german, Sir John Stuart, of Allan Bank. Mr. James Coutts was for a short time member of parliament for the city of Edinburgh; but in consequence of some strange and incoherent language in the house of commons, he was induced (at the suggestion and by the persuasion of his friends,) to refrain from attending parliament any longer. His mental faculties as well as bodily health becoming impaired, he was advised to visit a more favorable climate; and under the care of his uncle's wife, Lady Stuart, and her son, he repaired to Italy, where a marriage was soon contracted between his only daughter and her cousin, Mr. Stuart. Miss Coutts' fortune was from seventy to eighty thousand pounds. It cannot now be ascertained whether Mr. James Coutts died abroad or at home.

Mr. Thomas Coutts, the subject of the present sketch, was a partner in the house at St. Mary Axe, and was afterwards admitted into his brother's banking house, in the Strand. At this time Mr. James Coutts had a young person in service, in attendance upon his daughter, named Elizabeth Starkey, in whom, with a handsome countenance and great good humor, were united many rustic virtues, that are unfortunately not so common to domestic servants at the present day. The father of this excellent young woman was a husbandman, in Lancashire, who, upon a very small farm, had reared a large family of children in an humble, but extremely creditable way. When their daughter had arrived at the age of womanhood, Betty, 'for so she was accustomed to be entitled, was sent out to service; and it was her

good fortune to begin her career in the world in the house of Mr. James Coutts.

By one of those strange fatalities which belong to the "romance of real life," Mr. Thomas Coutts became deeply enamored of the aforesaid amiable and virtuous young woman, and spurning the obstacles which the very striking difference of their situations in life presented to their union, actually made proposals to her, and married her, in direct opposition, as may be believed, to the wishes of all his friends. In person, manners, and accomplishments, altogether a gentleman; as a man of business, eminent in an extraordinary degree, Mr. Coutts would, it was expected, have sought some more illustrious alliance; but he determined to please himself, and unite himself with Betty Starkey, a connexion, however humble, which the subsequent conduct of this estimable woman never, it is said, gave him reason to regret. By this lady, for from her native intelligence and goodness she was calculated to adorn rather than disgrace the station to which she was thus so suddenly raised, Mr. Coutts had three daughters, all of whom have married into high life, and have issue that inherit distinguished rank and ample patrimony. One is the wife of Sir Francis Burdett, Bart. M. P.; another is Countess of Guilford; and a third is Marchioness of Bute.

So very sudden and unlooked-for was the elevation of Betty Starkey, that a few days before her marriage, (so the story goes,) whilst employed in cleaning the stairs, one of the resident clerks, who had been out in a very heavy shower of rain, was going up to change his clothes, when he was desired by Betty to take off his shoes, a request which he deemed so impertinent that he put himself into a violent rage, and ascending, left the dirty prints of his feet on every step. Betty, on her part, did not endure this provocation in utter silence, but exclaimed with some anger, "Before long I'll make you pull off your shoes and stockings too, if I choose it." After her marriage with Mr. Coutts, the clerk expected nothing less than his discharge. The bride, however, never again alluded to the matter, and always treated the clerk with becoming affability; and so little did it affect his interests, that before he died he became the principal clerk in the house.

It is impossible to imagine a person unexpectedly raised to a sphere much above that in which she could have hoped to move, so well calculated to sustain her situation as Mrs. Coutts. Although in the early stage of her connexion with her husband, her mind was necessarily uncultivated, and her manners far from refined, Mr. Coutts neglected not to take all due pains to qualify her for the station to which he had elevated her, and her quickness and capacity were such as amply rewarded him for his exertions. In a few short years she became, in manners and intelligence, as much a gentlewoman as some of those ladies who had been bred and brought up in the lap of luxury and splendor. She died at an advanced age, possessed of the affectionate regard of her husband, children, and grandchildren, and universally respected by all who knew her. Two of her grandsons are at this moment peers of the realm, and have no reason to be ashamed of their humble descent, if the proverb be correct, that "virtue is, after all, the truest nobility." James the Second married a lady whose mother was a tub-woman, a person who in those days carried out tubs of beer from the breweries to private houses; and the grandmother of one of the royal dukes was a person of hardly less lowly occupation; but we are unable to divine why their descendants should be at all the less illustrious on that account.

Mr. Coutts was through life a warm admirer and patron of the drama. During upwards of half a century his judgment and taste were acknowledged by the most celebrated dramatic authors and performers, whom he

had successively seen rise into fame, and decline. It was this predilection for theatrical amusements that first led to an acquaintance (long before the demise of his first wife) with the present Mrs. Coutts, then Miss Mellon. Of the nature of this connection we are not prepared to speak : it has been often described as purely *platonic*. The origin of the intimacy is said to have been as follows : Mr. Coutts was so well pleased with Miss Mellon's personal appearance and performance in one of her favorite popular characters, that he sent a message requesting the honor of being admitted as a friendly visitor. At her next benefit he enclosed *five new guineas* for a couple of tickets, which the lady duly enshrined in her cabinet with the polite note that accompanied them, as a mark of respect from the richest banker in the metropolis ; little dreaming that the whole of his immense wealth would in a few years be entirely at her own disposal.

The attentions of Mr. Coutts to Miss Mellon, notwithstanding the disparity of their years, did not fail to give rise to a great deal of calumnious insinuation. To relieve her from the insults to which her appearance on the stage, and her attendance in the green room, exposed her, Mr. Coutts recommended her to quit the theatre altogether. In order to reimburse her for the loss of the lucrative situation from which he had been instrumental in withdrawing her, Mr. Coutts conferred upon Miss Mellon, in the most delicate manner possible, a very ample independency. He purchased the pleasant little villa, at the foot of Highgate Hill, called Holly Lodge, which belonged at that time to Sir Henry Vane Tempest, and for which the subject of this memoir is said to have paid *twenty-five thousand pounds*. This estate he presented to Miss Mellon, and here she took up her residence. He subsequently gave her a carriage and horses, compliments which were not likely to quell those censorious whispers in the *beau monde*, to which their friendly intimacy had given rise.

In an unusually short time after the first Mrs. Coutts' demise, Miss Mellon became the second wife of Mr. C. ; an event which occasioned a great sensation at the time in the fashionable world. It should, however, be remarked, that the former lady had morally ceased to exist a long while before, being both deaf and imbecile, through the failure of her natural faculties.

It would answer no good purpose to detail all the gossip and tittle-tattle which arose out of Mr. Coutts' second marriage. It seems quite clear that he was by no means incapable of deciding for himself in an affair of this description, and his right to do so was unquestionable. His fortune was entirely of his own accumulating, and he had therefore every right to devote such a part of it as he pleased to the promotion of his own personal happiness.

Mr. Coutts was exceedingly benevolent, and he was accustomed to bestow a very large sum annually on objects of charity. In these good works he was most warmly co-operated with by Mrs. Coutts, whose generous relief of the distressed is known to have been carried, in many instances, to an extent bordering on munificence. A curious anecdote has been related of Mrs. C. during her residence at Holly Lodge. A late member for Middlesex is said to have been her near neighbor. The coach-road to his house passed near to Mrs. Coutts' villa, and although there was another road, this was adopted in a way calculated to annoy and inconvenience her. A part of the ground belonging to the legislator extended to Mrs. Coutts', and it commonly happened that whenever she had a dinner party, to whom she wished to show particular respect, at Holly Lodge, the legislator's ground was covered with sheets, shirts, shifts, and pillow-cases, and all the appendages of a washing day, hung out to dry, and in such abundant quantities

as surprised the neighbors, and made some of them suppose that the honorable member took in washing; and as an *unavoidable* result of such avocations, a clik of noisy household damsels and charwomen used to congregate on that spot, and held their delectable debates in full hearing of Mrs. Coutts, and her fashionable guests. These annoyances disquieted Mrs. Coutts not a little, and to save herself and her guests from the repetition of such unpleasantness, she offered, it is said, more than a fair and liberal price for the property, a proposition that was not accepted, nor were the causes of annoyance abated. She then took very decided measures to secure herself from further insult in this way; she caused a very lofty wall to be built some hundred feet in length, and thus intercepted from sight the whole tract of country which previously lay open in view, by which act of retribution, the innocent as well as the guilty necessarily suffered; for the terrace above Holly Lodge was entirely excluded from the beautiful prospect before it. This remedy could hardly have cost less than a thousand pounds, but it proved altogether effectual. Either from kind motives towards her neighbors, or others less sociable that concerned only herself, the legislator is said to have held out a flag of truce; a negotiation ensued; the property was sold to Mrs. Coutts; the honorable member decamped; the tremendous screen was quickly removed; the charming landscape restored; and Mrs. Coutts and her late neighbor parted on much better terms than they had met.

The banking house of Mr. Coutts stands on nearly the centre of the site of ground on which there stood, many years ago, an exchange, almost similar to Exeter 'Change; the back-front commanded a most extensive prospect over the Kent and Surrey Hills. When Messrs. Adams took Durham Gardens, then in ruins, for the purpose of building the Adelphi, Mr. Coutts, to prevent the interruption of his own view, purchased a vista, the width of his house, and stipulated that the street leading to the entrance should face the same. On this vacancy, up to the level of the Strand, he built his strong rooms, or depository for the reception of his bank and books, and for the security of his customers' plate, jewels, &c. It is by far the best constructed place of safety in Great Britain, the Bank of England only excepted. It cost upwards of 10,000*l.*; and although it is constantly kept warmed by flues, is completely fire-proof. The floors are all geometrically hung by the walls, composed of stone, six inches thick; the doors and frames are all of wrought iron, and so are all the smaller doors that enclose each safe closet: from the Strand dwelling there is a stone arched subterraneous passage, with massy iron doors, &c. Some years after the erection of this building, Mr. Coutts found it necessary to enlarge the shop, counting-houses, offices, &c., and erected over them the present convenient set of offices, extending from William street to Robert street, Adelphi; and procured an act of parliament to enable him to erect a stone-bridge of tenacity over William street, to connect the front and back premises with each other. All this was done without disturbing in the smallest degree the front house; and the customers and the public were as much surprised as if it had been done by magic art, to find on one Monday morning, the banking offices, that had a few hours before been considered as rather confined for so large a concern, become the most extensive and convenient of any in the metropolis. It is remarkable that on the first day of opening these improvements, lord Nelson then sir Horatio, sent to Mr. Coutts, for security, the valuable diamond aigrette which the grand seignior took from his turban, and placed in the noble armiral's hat, as a token of his respect and gratitude.

A circumstance happened to one of his clerks which cost him his situation. It is the duty of the junior clerks, in most banking-houses, to do the

out-door, or bill-collecting business, but, if the day's transactions be what are termed heavy, some of the upper clerks take that duty. On the day that relates to this anecdote, the amount of the western walk exceeded 17,000*l.* and Mr. L. was directed to take it. At the usual hour of the clerks returning home, Mr. L. was missing; the noting hour passed, messengers were sent to all the settling houses, and to his private lodgings, but no tidings could be obtained; advertisements were sent to all the newspapers, and, next morning, the town was placarded with a full description of person and property, and a large reward offered for securing the defaulter. Nothing was heard during the next day; but early the following morning, one of the partners in the Southampton Bank arrived post, bringing with him the note-case and bag containing the whole of the missing property, of which he gave the following account:

"That the landlord of the inn at which the coaches arrived, had, the day before, about three o'clock, called on him, and begged him to accompany him to his house, where a gentleman had arrived early in the morning, had gone to bed apparently very ill, was, as he thought, now dying, and wished to make some communication relative to a large sum of money then in his possession. On his arrival, the person told him his name, said that he was a clerk in Mr. Coutts' house, and had been out collecting, and, on his return through Piccadilly, he was seized with a stupor, (a malady he for the last few months had been subject to,) owing, as he supposed, from a contusion on the head he had received by a fall from a swing in the gardens of the Mermaid, at Hackney. He begged, for God's sake, an express might be immediately sent off to inform the house of the circumstance; he added, he could give no other account how he came where he now was, (which he did not know till the landlord informed him;) for, on the moment he found the stupor coming on, he got into a coach, with the door standing open, which he supposed was a hackney one (to secure the money), but which proved to be the Southampton stage, and that he had remained insensible during the whole journey." The firm caused all the posted bills to be pasted over with bills acknowledging the recovery of the whole property, and stating that the delay had only been occasioned by sudden illness, which the newspapers echoed the next day. A short time after, on Mr. L.'s arrival in town, the firm thought proper to dismiss him: some believed it was an attempt to escape to Guernsey, of which place he was a native, but, finding no packet, he relented; but the reason given was, that a person subject to delirium was an improper person to transact business in a banking house. Mr. Coutts, with his usual liberality, gave him, from his private purse, a sum sufficient either to purchase an annuity, or to enable him to forward his views in any other line.

The following anecdote will prove the nice precision in all accounts kept in Mr. Coutts' house. After closing the doors to customers, every clerk makes up his accounts, and a general balance is struck, which must tally to a farthing before the clerks separate. It happened, some few years since, that there was 2*s.* 10*d.* minus in balance; every clerk was ordered to revise his account, the silver and copper money was recounted, but still the deficit was unaccounted for; this was repeated over and over again, still there wanted 2*s.* 10*d.*; the resident partner would not suffer the clerks to depart without a correct balance: gladly would each have paid the difference ten times over from his own pocket. The affair remained unexplained till the next morning, when, on the arrival of one of the non-resident partners, (I believe, Mr. Antrobus,) he recollected taking that exact sum out of the till, for payment of the postage of a foreign letter.

Mr. Coutts departed this life on the 24th of February, 1822, at his house

in Stratton street, Piccadilly, having attained the advanced age of *ninety-one*. He died, surrounded by his friends, in the presence of Mrs. Coutts, and his daughters, the Countess of Guilford and Lady Burdett, with their families, and Lord Dudley Stewart, the son of his second daughter, the Marchioness of Bute, then in Italy.

The following anecdote must not be omitted, as it proves the estimation in which Mrs. C. was held by her husband. At Colnaghi's, the well-known printseller, a gentleman inspecting some rare collections, was shown a volume of engraved theatrical portraits, which had been lent to Mr. Coutts. Opposite to each portrait is written a short biographical sketch. Appended to that of Miss Mellon, mentioning her retirement from the stage in 1815, is the following note, in the handwriting of Mr. Coutts :—

“When she married Thomas Coutts, Esq. banker, of the Strand, which proved the greatest blessing of his life, and made him the happiest of men.
“T. C.”

The will of Mr. Coutts was opened and read the Sunday evening after his death by his solicitor, in the presence of Mrs. Coutts, the Countess of Guilford, Lady Burdett, and others of his family. It first recites the nature and extent of his property, to the amount of 900,000*l.* which he bequeaths to Mrs. Coutts for her sole use and benefit, and at her own disposal, without mentioning any other person, or even leaving a single legacy. The mansion and furniture in Stratton street, and the villa on Highgate Hill, were previously Mrs. Coutts'.

Many persons were surprised at this singular disposal of his property, which apparently disappoints the expectations of his children. The truth is, that by this exclusive bequest to his wife, no legacy duty is payable upon this vast sum ; and in Mrs. Coutts he placed the fullest confidence, that she would fulfil what she knew to be his wishes ; and there is little reason to doubt but that she will carry his intentions with respect to his daughters and other persons scrupulously into effect.

On Monday, March 4th, the remains of Mr. Coutts were removed from his late residence, Stratton street, Piccadilly, for interment in the family vault, in Wroxton Abbey, Oxfordshire. The procession was accompanied by above forty noblemen's and gentlemen's carriages ; among which were those of their Royal Highnesses the Dukes of York, Clarence, and Sussex ; Lords Coventry, Cawder, James Stewart, Sir Coutts Trotter, the family physician of the deceased, and the upper members of his household.

The highest charge for a stamp on a probate, or letters of administration, with a will annexed, is 15,000*l.*, which answers for 1,000,000*l.*, and upwards. Mr. Coutts' will being sworn under 600,000*l.* paid a stamp-duty of 7,500*l.* If such a property had passed to Mr. Coutts' daughters, there would have been a legacy-duty of 1*l.* per cent. ; to his brothers, or sisters, or their descendants, 3*l.* per cent. ; or to any legatee, a stranger in blood to the deceased, a duty of 10*l.* per cent. which would have amounted to 60,000*l.*

WEALTH—Property arising from honest industry is an honor to its owner ; the repose of his age, the reward of a life of attention ; but great as the advantage seems, yet, being of a private nature, it is one of the least in the mercantile walk. For the intercourse occasioned by traffic gives a man a view of the world, and of himself ; removes the narrow limits that confine his judgment, expands the mind, opens his understanding, removes his prejudices, and polishes his manners. Civility and humanity are ever the companions of trade ; the man of business is the man of liberal sentiment : if he be not the philosopher of nature he is the friend of his country. A barbarous and commercial people is a contradiction.—*Hutton*.

EXCHANGE BETWEEN ENGLAND AND THE U. STATES.

A table showing the rate of Exchange on England at New York, for the first packet of each month, from January, 1822, to December, 1847. (The prices quoted are in each instance the rate charged for A, 1, Bills. Good but not well-known Bills usually could have been bought for a fraction less.)

	Jan'y.	Feb'y.	March.	April.	May.	June.	July.	August.	Sept.	Oct.	Nov.	Dec.
1822.....	12½	14½	13.....	13.....	12½	8.....	10.....	10.....	11.....	12½	13.....	12½
1823.....	12½	11.....	11.....	3½	4.....	5½	5½	7½	6½	7.....	7½	7½
1824.....	7½	7½	8½	9.....	8½	10.....	9.....	8½	9½	10.....	9½	9½
1825.....	9½	10.....	9½	9½	8.....	5.....	5½	5.....	7½	10½	9½	9
1826.....	8½	8½	8.....	7½	10.....	9½	10½	10.....	11.....	12½	11½	12.....
1827.....	11½	10.....	10.....	10½	10½	11.....	10.....	10.....	11.....	11.....	11½	11½
1828.....	11.....	10½	11½	11.....	10½	11.....	10½	9½	10½	11½	11.....	9½
1829.....	8½	8.....	8½	8½	9½	9.....	8½	9½	9½	9½	9½	9½
1830.....	9½	8½	8½	8.....	7.....	7.....	6.....	6½	6.....	6.....	7.....	6½
1831.....	6½	6½	6½	7.....	9½	7½	10.....	10.....	10½	10½	10½	10.....
1832.....	10.....	9½	9½	9½	10½	9½	9½	7.....	8½	8.....	8.....	8½
1833.....	8.....	8.....	8.....	8.....	8½	8½	8½	8½	8½	7½	7½	5½
1834.....	2.....	99.....	99½	1.....	3½	2.....	2½	5.....	6½	7.....	7.....	6
1835.....	7.....	7½	7½	8½	8½	9½	9½	9½	9.....	9½	9½	9½
1836.....	8½	10.....	9½	7½	7.....	7.....	7½	7½	7½	8½	8½	9½
1837.....	7½	9½	8½	11½	11.....	13.....	18.....	19½	21.....	14.....	16.....	14
1838.....	9½	10.....	7½	4½	5.....	6½	7.....	8½	9½	9½	9½	10
1839.....	9½	9.....	8½	9½	8½	9½	9½	9½	9.....	10.....	9.....	9
1840.....	8.....	8½	8.....	7½	7.....	7½	7.....	7.....	7.....	8½	8½	8½
1841.....	8½	8.....	8.....	7.....	7½	8½	8½	8½	9.....	9½	10.....	9½
1842.....	8½	8½	8½	6½	7½	8.....	7½	6½	6½	7½	8.....	6½
1843.....	5½	5½	6.....	5½	7½	8½	8½	9½	9½	9½	8½	8½
1844.....	8½	8½	9.....	8½	8.....	8½	9½	9½	9½	10.....	10.....	10
1845.....	10.....	10.....	9½	9½	9½	9½	10.....	10.....	9½	9½	9½	8½
1846.....	8½	8½	8½	10.....	10.....	9½	8½	8.....	9½	9½	6.....	6½
1847.....	5½	6½	5½	4½	6½	7½	6½	6½	7½	9.....	10.....	10½

FLUCTUATIONS IN AMERICAN STOCKS.

Prices of the Stocks in which are the principal transactions in the New York market, at the close of each month, during the year 1847.

	Jan'y.	Feb'y.	March.	April.	May.	June.	July.	August.	Sept.	Oct.	Nov.	Dec.
Treasury notes.....	102	101½	101½	103½	106½	107½	106½	103½	103½	101	100	98½
U. S. sixes, 1856.....	100½	101½	101½	104½	107	106½	105½	101	104½	101½	100	98½
N. Y. State fives, 1858.....	97	98	98	98	101	100½	101	101½	101	100½	99	96
“ sixes, 1861-2.....	102	103	102	104½	107	106	105	107	107	102½	102½	103
“ sevens, 1849.....	103	101½	101	101½	103½	103½	104	105	103½	103	102	102
Ohio sixes, 1860.....	96	95½	94½	97½	101½	101½	100½	100½	100½	98½	99	96
Pennsylvania fives.....	72½	70½	70½	73½	77½	81	80½	77½	73½	73½	73½	73
Indiana dollar bonds.....	39	40½	38	38½	42	45	46	43	43	39	36	36
Illinois bonds.....	40	40	39½	40	43	47	47½	46½	45½	40	38	39½
Reading bonds.....	75	72½	70½	73½	73½	79½	77	75½	72½	89½	70½	69½
Kentucky sixes.....	98½	99½	98	100	103	104½	101	100½	100½	99½	98½	99½
Manhattan Bank.....	91	89½	88	89	91½	94	95½	97	95½	93½	89	90
Mechanics' Bank.....	103½	106½	106	105½	107	109½	109	109½	109½	105	104	103
Bank of America.....	96	98	98	99½	103	100	101	101	99½	96½	96	95
Bank of Commerce.....	91	89½	88½	91	94½	97½	97	97	94	90½	90	91
Phenix Bank.....	83½	84	83½	85½	90	90½	89½	90	89	87	83	83
Farmers' Trust Co.....	30	29	29	32½	34	35½	35½	36	31½	27	26½	27½
Canton Co.....	35½	36½	33½	37	37½	49	48½	39½	34½	30	28	28½
North American Trust Co..	9	8½	9½	9½	9½	9½	9½	9½	8½	7½	7½	8½
Morris Canal Co.....	11½	11½	19½	20½	19½	19	17½	13½	13½	10½	9½	9½
New Jersey rail road.....	102½	103	103	102	108	104½	106	104	104½	104½	104½	104½
Stonington rail road.....	40	44	44	45	51½	61½	56½	60	60	54	52½	54
Utica and S. rail road.....	112	114	114	117	128	120½	16	118	115	117	116	116½
Auburn and R. rail road.....	99	98	100	98	101	105	105	103	100	101½	100	101
Long Island rail road.....	30	26½	26½	29½	27	33½	33½	34½	31	25½	27½	27
Harlem rail road.....	53	48½	48½	52½	56½	64½	63½	71	52½	46½	41½	39½
Erie rail road, old.....	57½	54½	56½	58½	60½	61	62½	63½	62	61	61	62
Norwich and W. rail road...	54½	52½	49½	49½	50½	53	55	65	48½	40½	36½	37½

ENGLISH MONEY MARKET.

From Blackwood's Magazine, Dec., 1847.

A vast change has taken place in our social condition since the year 1844. This alteration has been produced by both natural and artificial causes. In the first place, we have had a famine and a failure of the potatoe crop, which has borne very heavily upon the population of the British islands, and has caused a large export of bullion for the necessary supply of food. In the second place, we have had a multiplicity of gigantic works going on at home, which, while they have afforded high wages to an important section of the community, and so tended in a great measure to ward off and counteract the more disastrous effects of the famine, have nevertheless undeniably caused an unusual absorption of capital, which must remain unproductive until those works are completed. In the third place, we have altered altogether our relation to the foreigner, and have admitted him to competition with our own producers in the home market, without securing that reciprocity without which free trade is a phantom and a delusion. The first and the third of these causes have led to a steady drain of bullion from the country; and although the famine may now be considered as over, and that drain stopped for the present, the other still continues and must continue in full operation, and the adverse rate of exchange as against Britain can only be overcome by a general decline of prices, in consequence of which men of every class, but especially the manufacturer and the artisan, must be serious and permanent losers. But the railway system on the whole has effected the most important change upon our position, and it is now indisputably necessary to find out in what way it has acted upon the money market.

Thirty-two millions, therefore, of paper, whereof fourteen was apportioned to the Bank of England, was the bountiful allowance counted out for the daily augmenting wants of the first commercial nation of the world. All paper issue beyond that had to be represented by unfructifying bullion, stored up in bank vaults and cellars, as far away from profitable employment as if it had been buried beneath the ruins of Ninevah, with some tutelary demon as its guard. And it is a fact, which we do not remember to have seen stated elsewhere, but which, nevertheless, is notorious to all commercial people, that a vast deal of gold is constantly forced into the bank to represent and occupy the place of paper which is absent from the country. In the Continent and in America, Bank of England notes are an extremely common tender, and are often actually at a premium; and each of these so circulating withdraws, under Peel's system, an equivalent amount of gold from the national use.

The monetary embarrassment may be said to have commenced with the famine of last year. That event not only caused an extra expenditure of public money at home, in the shape of subsidies to Ireland, but it occasioned a considerable drain of bullion to America. It so happened, that at that time America was in need of coin for her expenses in the Mexican war, and required less manufactures than we were usually in the habit of exporting. At least such was the statement commonly current in the commercial circles at the time; but we cannot, whilst calmly and dispassionately reviewing events, conceal our conviction, that the Americans were playing a deeper and more profitable game. A drain of gold from England must always, under our present laws, prove an enormous advantage to the for-

eigner, because, by retaining bullion for a time, and refusing manufactures in exchange, he can bring down prices in Britain in proportion to the scarcity of money. It was, therefore, clearly not the interest of the transatlantic dealer to take commodities in exchange for his corn, until the depression had reached its lowest point. Be that as it may, the balance being decidedly against us, was liquidated in gold, a mode of payment which this country can never refuse, since it has recognised the bullion principle, and laid down a fixed or inflexible standard. As the result of this, ten millions disappeared from the general circulation—that is, the bank, in order to maintain its full issues, was compelled to find gold from some other source, and the exchanges being palpably against us, by reason of the famine, and from another cause to which we shall afterwards allude, this could only be done by an increase of the rates of interest, in other words, by turning the screw, which had this immediate effect of causing a fall or depreciation of property. Consequently the funds began to decline, but after a little, some temporary relief was afforded by the appearance of a new and unexpected customer in the stock-exchange.

The Russian system of banking is rather remarkable. That country, which has lately become one of the greatest gold producers of the world, employs for its own internal use a paper circulation, but the basis upon which that circulation rests, is commonly reported to be a sum of from thirty to forty millions in gold, lodged in the hands and at the disposal of the emperor. This large amount of bullion had hitherto remained unemployed, but Nicholas, observing that the French funds had, like our own, very much declined, and that bullion was the great *desideratum* in both countries, determined, with much apparent generosity, to step forward to their rescue. No one save the Czar had any control over the keys which could open this hidden hoard, and with a discernment which does credit to his abilities, he set at liberty “the imprisoned angels,” and in return for his unprofitable gold, purchased at most advantageous rates, a deep interest in the national securities of England and of France. The immediate result of that measure is a large accretion of revenue to the emperor, who is now one of our chief creditors, for whom the manufacturer is bound to toil; the ultimate tendency is yet in the womb of time, but no thinking man will contemplate without alarm the power, which so gigantic and ambitious a state as Russia has thereby gained within the very fortress of our strength. * * *

It is necessary that we should grapple boldly with the proposition, that over-speculation in our home works, that is, the expenditure upon the railways in progress, is the cause of our present embarrassment. In order to do this, we must have recourse to statistics, and we shall now lay before our readers tables exhibiting the state of our revenue and population, for two periods of five years each.

Year.	Population.	Taxation.	Year.	Population.	Taxation.
1811	18,547,720	£64,342,741	1841	26,835,518	£47,660,809
1812	18,812,294	63,179,164	1842	27,181,955	45,978,391
1813	19,076,868	67,189,287	1843	27,468,392	50,894,129
1814	19,331,441	70,103,344	1844	27,754,829	53,069,245
1815	19,606,015	71,372,515	1845	28,041,266	51,496,534
Total,	96,374,338	336,187,051		137,341,960	249,069,108
Average,	19,074,867	67,237,410		27,468,392	49,917,521

We thus arrive at the following results. About thirty years ago, with a population of nineteen millions, we were able to raise an annual sum of

ninety-four and a half millions of pounds, whereof more than one-half was expended abroad in subsidies and the maintenance of an army, and a little or none of it was returned in the shape of capital to this country.

At present, with a population of twenty-seven millions and a half, we are said to be unable to lay out thirty-five millions annually in the construction of our railways, in addition to a taxation of fifty millions—in other words, we cannot raise eighty-five millions a year without approaching to the verge of bankruptcy!

This, if true, is a very humiliating position, and shows symptoms of a decadence so marked, that we question whether any parallel case can be extracted from history. A population augmented by one-third, say the economists, cannot afford to expend a sum less by ten millions than that which was raised without inconvenience towards the end of the great continental war; and this sum, far from being swallowed up abroad, is usefully employed at home, and is daily assuming the shape of realised capital, yielding a profitable return!

In short, to use the words of one of the Rothschilds, who surely is a competent judge, the prosperity of Britain depends, to a great degree, upon the amount of its circulating medium. It is our interest to have money plentiful and to keep it so; and we ought to interpose as few checks as possible to the fair operation of credit. With plenty of money we may command the markets of the world; with a restricted and contracting issue like the present we are comparatively powerless. The great fault of Sir Robert Peel and his coadjutors is, that they seek to confine credit within absolutely intolerable bounds. We may ask, with perfect propriety, whether the colossal fortunes, either of the right honorable baronet or of his adviser Mr. Jones Loyd, could, by any possibility, have been erected without this important element of credit, which they have now combined to prostrate? We apprehend not; and yet in a certain, though not very creditable sense of the phrase, both gentlemen have been true to their order. The new capitalist has the smallest possible degree of sympathy for those who are struggling upwards.

The whole manufactured produce of Great Britain, may be estimated in round numbers, and on an average, at two hundred millions yearly, whereof three-fourths are consumed at home, and about fifty-one millions or one-fourth of the whole are destined for exportation. The home market, therefore, being by far the most important, is the first province of the manufacturer: the foreign and lesser market, however, is to a certain extent the index of the nation's wealth, because we have a direct interest to see that our exports are larger than our imports, in other words, that we are not annually paying away a greater value than we receive. The home market is certain, or at all events we can render it so if we choose, and the field is constantly increasing. The foreign market, on the contrary, is fluctuating, and over it we have little control. Without an entire change in our colonial system, which, to say the least, would be attended with much difficulty and danger, we must continue to compete with the foreigner abroad on no other vantage ground than that of offering an article equal to or better than his at a smaller price and profit.

It has always been the policy of England, to enlarge this latter field as much as possible, and unquestionably the policy is sound. We give and take with foreign nations as freely as may be, sending out articles which we have produced, and bringing home cargoes for our own consumption. The balance of the two operations must be taken as the estimate of our increasing wealth.

THE LONDON POST OFFICE.

From Knight's Pictorial London, 1842.

Of all the public departments under the direction and management of the state, the post office is at once the most popular and the most interesting in its operation and influence. In consequence of recent changes, it can scarcely be any longer regarded as an engine of taxation, but its vast machinery is put into action almost solely for the advantage of the public. In its social influence, such an institution is only second in value and importance to the art of writing.

If the millions of letters which it is now employed in transmitting from one part of the earth to another—from kingdom to kingdom, from the metropolis to the most obscure hamlet, and from the latter to the antipodes—were suddenly deprived of the means of reaching their destination, and all the resources for accomplishing this end were to be broken up, the whole world would be thrown backward in civilization, and all the springs by which it is urged onward would lose some portion of their elasticity.

Such a prospect need not, however, be contemplated.

The post office is not a very ancient institution in England. We learn that for many centuries a great proportion of the population lived and died near the spot which gave them birth; and long after a change in that state of society, writing was not a very common accomplishment.

The business of government could not, however, be carried on without some correspondence; and when the king summoned parliaments, or addressed the sheriffs or the governors of his castles, officers were employed called "nuncii."

They carried their despatches on horseback, and the payment of sums of money to them for the carriage of letters is mentioned in various rolls, from the days of king John through subsequent reigns.

The principal nobles, whose large estates were often at a great distance from each other, also maintained "nuncii." In the "paston letters," and in the "household books" of various families down to the end of the sixteenth century, the practice of transmitting letters from their country-seats to London, or elsewhere, by their own servants, is frequently mentioned.

After a day's journey, they halted for the night at the ancient hostelry. Before this period, however, there were post-stations on the great roads. Gale states that during the Scottish war, Edward IV (1461–83) established such stations, at distances of twenty miles from each other. On arriving at one of these, the messenger delivered his despatches to another horseman, who conveyed them to the next station; and so they passed from one station to another, each messenger travelling only a stage of about twenty miles. By this means, letters were expedited about two hundred miles in two days. Cyrus, the first king of Persia, established an exactly similar mode of communication through his dominions. The superscription of "haste, post haste," often met with in letters of the fifteenth and beginning of the sixteenth centuries, shows that letters were not unfrequently transmitted through horsemen attached to a line of post-houses. In the "household book" of the Le Stranges of Hunstanton, Norfolk, there is an entry, in 1520, by lady Le Strange, of 9s. 3d. "for cost of riding up to London with a letter to my son Nycholas."

In this case a servant of the family might ride up to London himself, procuring relays of horses at the different post-houses, or he might place his letter in the hands of an authorized messenger travelling to London with

other letters. In these arrangements the rudiments of a regular post office begin to appear. Two persons having each a letter to send to London would be enabled to do so at one half the expense by employing one public messenger; four persons would do so at one quarter of the expense; and so on. The carriers of goods were also carriers of letters. The rate of hire for post-horses was fixed at a penny a mile by a statute of 1548 (2 and 3 Edw. VI, c. 3.)

When Prideaux was made postmaster, the revenue of the post office is supposed scarcely to have exceeded 5000*l.* a year. It was farmed at 10,000*l.* in 1653, and at 14,000*l.* in 1659; at 21,500*l.* in 1663, at which period it was settled on the duke of York; in 1674, at 43,000*l.*; and in 1685 at 65,000*l.* The duke was now James II, and an act was passed granting to him and to his heirs the revenue of the post office, independent of the control of parliament. This profligate grant was resumed at the revolution, though it was settled on the king, but it could not be alienated beyond his life. In the following reigns, a certain proportion of this revenue was applied to the purposes of the state; but it was not until the settlement of the civil list, at the accession of George III, that the claims of the sovereign were finally relinquished.

In 1724 the net revenue of the post office amounted to £96,399; in 1764 to £116,182; in 1784 to £196,513; in 1794 to £463,000; in 1804 to £952,893; in 1814 to £1,532,153; after which time it remained nearly stationary. The gross revenue from 1815 to 1820, averaged £2,190,517, and from 1832 to 1837, £2,251,424.

We now come to a new era, which has had a most important influence on the arrangements of the post office. In 1836 the stamp duty on newspapers was reduced from fourpence to one penny. The circulation of the London and provincial papers together has nearly doubled, since this change; and a very large proportion of the total number is sent through the post office. Here is so much additional work to be got through. The penny postage came into operation on the 10th January, 1840; and the number of letters passing through the post offices of the united kingdom, has risen from 1,500,000 per week to 4,000,000, being at the rate of above 200,000,000 letters per year, instead of about 78,000,000. In the same period the letters passing through the general post office, London, have increased from 400,000 to 1,364,000 per week; and in the London district post (late twopenny post) the increase has been from 255,300 per week to 476,000.

The great lines of railway have been gradually rendered available for the transmission of correspondence as they were successively opened. In 1838 the sum paid by the post office to railway companies amounted to 12,380*l.*, and in 1841 to 94,818*l.* Most of the great towns in England, with Dublin and Edinburgh, have now a mail twice a day from London, or fourteen times a week, and a mail to London as often, making twenty-eight communications per week to and from the metropolis. Before the morning mails were established, a letter from Brighton for a town in Yorkshire was stopped fourteen hours in London, as it could not be transmitted until eight o'clock at night; but it now reaches its destination (200 miles, perhaps, from London) two or three hours before it would formerly have left the post office. The Liverpool merchant receives his foreign letters on the same day that they reach London, instead of thirty hours afterwards. The effect of expediting the class of letters formerly detained a whole day in London is a good illustration of the philosophy of the post office system: they have increased from 6000 to 30,000 a day, or five-fold. The gross revenue of the post office in 1838, the last year of the old system, was 2,346,298*l.*; of the first year under the penny postage, 1,342,604*l.*; of the second year (1841,) 1,495,540*l.*

If the increase should be progressive at the same rate, the gross revenue will be restored to its former amount in about two years from the present time. The cost of management, which in 1838 was 686,768*l.*, in 1841 amounted to 938,168*l.* for the whole country. Of this increased cost—namely, 251,400*l.* in 1841, as compared with 1838 the sum to be attributed to the penny postage plan does not much exceed 50,000*l.* The morning mails, additional post offices, and other additions to the public accommodation, account for the remainder.

At above two hundred receiving houses, situated within three miles of the general post office, the letters are collected six times a day—every two hours from eight in the morning to eight at night; and there are as many deliveries within these limits. At above two hundred other offices, situated beyond this circle, and within one of twelve miles, the collection and deliveries of letters vary from two to five daily, in proportion to the wants and importance of each district.

Thus the communications between the four hundred and thirty-six sub-offices and the central office amount, on the aggregate, to fifteen or sixteen hundred per day. For this purpose, horse-posts, mail-carts, and letter-carriers are employed. A few years ago, there were three classes of letter-carriers, the foreign, general, and twopenny, but the former are no longer a distinct class, and the latter are now extensively employed in delivering the letters which arrive by the day-mails, and also foreign and ship letters.

The general post letter-carriers are employed only within the three mile district to deliver the letters which reach town by the mails in the morning; but a few of them are engaged within a circle, comprising chiefly the heart of the city, in delivering those which are brought by the day-mails arriving before two o'clock in the afternoon; but others which arrive somewhat later are sent out by the letter-carriers in the London district department. The practical tendency is to consolidate the two services so far as concerns the delivery of letters. The number of general post letter-carriers in 1835 was 281, and in June, 1842, only 261; but there has been a very large addition to the other class, whose number at the latter date was 662, with 117 assistants, making in all 779; and if the 261 others be added, we have a total of 1040 persons engaged in the delivery of letters. In 1735 the general post office employed 65 letter-carriers, and the penny post 100; but the number of receiving houses was very large, amounting, it is said, to about six hundred, each of which exhibited at the door or window a printed placard with the words, "penny post letters and parcels taken in here."

In 1821 the number of general post receiving houses in the three-mile district was only fifty, and of those for the twopenny post one hundred.* * *

As the clock strikes eight the sacks with the letters and newspapers are dragged into the post office yard, and put into the mails, mail-carts, and omnibuses. The old Edinburgh, the Glasgow, Holyhead, and other first-rate mails, are gone, and nine omnibuses for conveying the letter-bags to the railway stations occupy their places. At present, there are only nine mails which take their bags from the yard, and these can never rival the celebrity of the old mails, being merely intended to maintain a communication with a few places which are not yet connected with London by railways, or are useful to intermediate districts rather than to the metropolis. The present mails are the Hull, the Louth, the Melton Mowbray, the Lynn, the Norwich, the Ipswich, and the Brighton, Dover, and Hastings mails; and the three latter will probably be superseded at no distant time. In place of six or seven mail-carts dashing with rapidity to the White Horse Cellar, Piccadilly, there are only two, one for the Worcester and the other for the Exeter mail, the latter of which makes a part of its journey on a rail-

way truck. The total weight of the newspapers and letters despatched on a Saturday night, including the bags, is above eight tons, and six out of the eight are, probably, transmitted by the railways. * * *

The business of the general post office commences at six o'clock in the morning, by which time, all the mails have arrived.

There are about seven hundred bags to be opened, and as many accounts of unpaid letters to be checked. It is said that expert persons will open a bag and check the account in a minute and a half. The letters are then sorted into districts, and afterwards into "walks" corresponding to the districts of actual delivery.

A bill is made out against each letter-carrier, and the whole number start at the same time. The letter-carriers whose walks are farthest from the office are conveyed by the accelerators or omnibuses, which were first used when the new post office was opened. Nine of these vehicles are used at present, which convey a hundred and fifty letter-carriers as near as possible to the scene of their duties, dropping them one by one in rapid succession. The effect of this excellent arrangement is to give the most distant parts of the town nearly the same advantages as those in the immediate vicinity of the post office. The work is so subdivided that the deliveries are finished in from one hour and a half to two hours.

The despatch of letters to the suburbs, and villages and towns not included within the limits of the general post delivery, but comprised within the twelve mile boundary, is effected by the horse-post and mail-carts, which leave the bags at different offices, where letter-carriers are in waiting to deliver the letters, or to take the bags to the respective receiving-houses to which they are subordinate, and which are in many cases situated at a distance from the line of road traversed by the mail-cart or horse-post.

There is one department of the general post office to which we have not alluded, which has lately become of great importance. This is the money order office. A few years ago the business was transacted in apartments at a house in Noble street, a little distance east of St. Martin's le Grand, and subsequently, it was transferred to offices in the present building, but it was again removed. Entering by the principal front, this office is now on the right hand of the hall; and a wooden construction has been put up, which projects into the hall, for those who wish to obtain orders, or to receive payment for them. About five years ago, the cost of transmitting a few shillings to a place 160 miles distant was 2s. 2d., the order being on a separate paper, which rendered the enclosure liable to double postage. The necessity of double postage was first avoided by the order being given on a sheet of letter-paper. Since the reduction of the commission to 6d. for sums between 5l. and 2l., and to 3d. for all sums not exceeding 40s., which took place in the year that the penny postage was adopted, the facilities of the office have become available to an extraordinary extent. At present, the number of money-orders issued and paid is at the rate of upwards of 700,000 a year, instead of 40,000. Twice as much is paid on orders from the country as is issued for payment at the country offices. In the quarter ending January 5, 1842, the number of each per day averaged 2071: namely, 1335 paid and 736 issued. A large proportion of the former are paid to tradesmen for articles to be sent into the country by post, or other means. Innumerable are the objects procured in this way, without any other intervention than that of a post office order. The appearance of others who present their orders tells of exhausted resources recruited by appeal to early friends, or of profligacy recklessly wearing out their patience. On the whole, the air of those who apply for orders to be sent into the country is more cheerful.

This class comprises servants who are sending a portion of their earn-

ings to aged parents; workmen who can spare something out of their large wages for the wants of others; and here also is to be found the Irish laborer, and others of the same class.

The total number of post office orders issued and paid at the present time, in England and Wales, is at the rate of 3,000,000 a year, involving the circulation of about 7,000,000*l*. This return does not include Ireland.

We cannot conclude without a tribute to the admirable management of the post office in this country. It has in a great measure ceased to be an engine of taxation; and within the last few years, a series of improvements have been adopted which renders the institution a most valuable auxiliary in the diffusion, both directly and indirectly, of most important moral advantages.

Post Office Revenue for the years ending January 5, 1842, and 1847.

From the British Almanac, 1848.

	1842.	1847.
Postage, inwards and outwards, collected in the		
United Kingdom, including ship letters, &c.....	£793,770	£902,153
Postage charged on public departments.....	128,661	120,204
Postage stamps.....	467,411	786,477
Postage collected by agents and postmasters abroad.....	81,742	117,901
Commission on money orders.....	21,787	34,229
Miscellaneous receipts.....	2,169	2,893
	<u>1,495,540</u>	<u>1,963,857</u>
Increase compared with the year ending January 5, 1842,		468,317

An account, showing the gross and net Post Office revenue, and the cost of management, for the United Kingdom, for the year ending 5th day of January, 1839, and for each subsequent year.

Year ending.	Gross revenue.	Cost of management.	Net revenue.	Postage charged on the government departments.	Net revenue, exclusive of charges on the government departments.
January, 1839.....	£2,346,278	£686,768	£1,659,509	£45,156	£1,614,353
January, 1840.....	2,390,763	756,999	1,633,764	44,277	1,589,486
January, 1841.....	1,359,466	858,677	500,789	90,761	410,028
January, 1842.....	1,499,418	938,168	561,249	113,255	447,993
January, 1843.....	1,578,145	977,504	600,641	122,161	478,479
January, 1844.....	1,620,867	980,650	640,217	116,503	523,714
January, 1845.....	1,705,067	985,110	719,957	109,232	610,724
January, 1846.....	1,901,580	1,125,594	775,986	115,194	660,791
January, 1847.....	1,978,293	1,138,745	839,548	114,791	724,757

The number of money orders issued in the year ending January 5, 1847, was 3,515,079, and the amount was £7,071,056; the number paid was 3,509,803, the amount of which was £7,044,097. The commission amounted to £59,500; and the expenses of the establishments in London, Edinburgh, and Dublin (for those of the country cannot be separated from the general expenses) was £29,474, including £1,156 paid as compensation to parties for loss of profits on money orders under the old system.

REMARKS.—The preceding details, taken from Mr. Knight's curious and elaborate work relating to London, furnish us with many interesting facts

concerning the management of the British postal system. We cannot insert the extracts without remarking that the British government is far in advance of our own in its post office arrangements.

While we have kept pace with Great Britain in various matters, there is exhibited a great want of liberality towards the community in regard to our post office system.

Our postage rates are yet too high and could be advantageously reduced one half or to a uniform rate of five cents where ten cents are now charged. More time is consumed in transmission than is necessary. Thirty-six hours are consumed between Boston and Baltimore, and twenty-four hours between Baltimore and Richmond, when between the two extreme points thirty-six hours would be sufficient. Letters between Boston and Richmond are now more than three days in transmission, when private enterprise could accomplish the same distance in 36 to 40 hours.

Our rail roads require the fostering care of government, and a plan could be readily devised by which, for a certain sum at the outset, the companies would contract to carry the mail in perpetuity, and by which the actual cost to the government would be much less than it now is.—*Editor B. M.*

THE THAMES TUNNEL.

From Knight's Pictorial London, 1842.

It was under the remembrance of discouraging circumstances that Mr. (now Sir M. J.) Brunel* appeared before the public with a new proposal in 1823, which it was stated had received the sanction of many eminent persons, in particular the duke of Wellington, and Dr. Wollaston. The mere idea of a tunnel below rivers is of course, a matter of little moment, whoever the originator—the doing it everything. The novelty of Mr. Brunel's proposed mode of operation, therefore, was rightly judged of great importance. That gentleman has himself explained the origin of his idea. The writer of the article "Tunnel" in the *Edinburgh Encyclopedia* states that he was informed by Mr. Brunel "that the idea upon which his new plan of tunnelling is founded, was suggested to him by the operations of the teredo, a testaceous worm covered with a cylindrical shell, which eats its way through the hardest wood: and has on this account been called by Linnæus, *calamitas navium*. The same happy observation of the wisdom of nature led our celebrated countryman, Mr. Watt, to deduce the construction of the flexible watermain from the mechanism of the lobster's tail." To the practical form which the idea thus given assumed we shall revert presently.

The shaft accomplished, the tunnel itself was begun at the depth of sixty-three feet.

The excavation Mr. Brunel proposed to make from bank to bank, was to be about thirty-eight feet broad and twenty-two and a half high, which, being defended by strong walls, was to leave room within for a double archway, each fifteen feet high, and wide enough for a single carriage-way and a footpath.

The mode in which this great excavation was accomplished has been the wonder and admiration of the most experienced engineers and will forever remain a monument of the genius of its author.

By January, 1828, the middle of the river had been reached; and, whatever the dangers and difficulties experienced up to that time, there was

* See Sketches of Brunel's life, *Bankers' Magazine*, in vol. 1, p. 410.

the gratification arising from their having been completely overcome, without the loss of a single life. That gratification was to exist no longer. Even the very completion of the tunnel was now to become a grave matter of doubt, and its projector to be left for long years in the sickening suspense of hope deferred on a matter wherein he had risked his professional reputation, and to which he devoted his entire energies—we might almost say, without exaggeration, his life. * * *

For seven years from that time, all was silence and darkness beneath those hollow roofs; and had the matter thus ended, what would have been the judgment of posterity? The plan had failed; and many of that immense array of projectors, hundreds in number, who now poured in their plans upon the directors, would have lamented, with delightful self-forgetfulness, that Mr. Brunel had not adopted their schemes. But the tunnel was to be completed—he was to be the man.

In January, 1835, the arches of the tunnel were at last unclosed. Government, after repeated applications, agreed to make advances for the continuation of the work, which was accordingly once more carried forward with renewed energy. Very slow, however, was the progress made. Of sixty-six weeks, two feet four inches only per week were accomplished during the first eighteen, three feet nine inches per week during the second eighteen, one foot per week during the third eighteen, and during the last twelve weeks only three feet four inches altogether.

This will excite little surprise when we know that the ground in front of the shield was, from excessive saturation, almost constantly in little better than a fluid state, that an entire new and artificial bed had to be formed in the river in advance, and brought down by ingenious contrivances until it was deep enough to occupy the place of the natural soil where the excavation was to be made, and that then there must be time allowed for its settlement, whenever the warning rush of sand and water was heard in the shield. * * *

The reward for every difficulty, anxiety, or suffering, was at last obtained. It is pleasant even to have to record that, on the 13th of August, 1841, sir Isambert Brunel passed down the shaft recently erected on the Wapping side of the river, and thence by a small driftway through the shield into the tunnel. Under what a new aspect that beautiful double archway must have thence appeared even to him, whose eyes had not for a single day forgotten to look upon it for many years!

And, as he turned, what power must have been felt in that little beam of light struggling through the driftway. The world must have appeared brighter from that moment. Nor should the laborers be forgotten, who, whilst expressing the admiration of him who had given method, firmness and prosperity to their labors, in the cheering with which they greeted his appearance in the tunnel from the opposite shore, deserve their meed of respect and applause.

The tunnel is now entirely completed, (measuring twelve hundred feet,) and it is in order to make the necessary preparation for opening it to the public for use that it is now closed against mere visitors. The great circular shafts are being provided with handsome staircases for the accommodation of foot-passengers. The tunnel was first opened to the public, March 23, 1843.

The carriage-ways have yet to be constructed, and will be costly works. Their plan is marked with the inventive ability that so eminently characterises the whole history of the tunnel. They will consist each of an immense spiral road, winding twice round a circular excavation fifty-seven feet deep, in order to reach the proper level. The extreme diameter of the spiral road will be no less than two hundred feet. The side of the road next to

the interior, or excavation, will be defended with substantial walls relieved by open arches; and on the other will be built warehouses at the top and cellars at the bottom. The road itself will be forty feet wide, and the descent very moderate.

The expenses of the tunnel have been, of course, very much greater than were contemplated, and that circumstance has not been one of the least of the engineer's difficulties: in one sense indeed, it was his greatest, since it did not rest with himself to conquer it.

Yet, strange to say, in spite of such an accumulation of hindrances and obstructions as no man could have ever conceived would have been met with—and overcome, the expenses of the tunnel form one of its advantageous features, when we contrast its cost with the only other mode of communication (impracticable here from the size and number of the shipping passing to and fro)—a bridge. We do not know the exact expenditure up to this moment, but we do know that the entire expense will not materially exceed the estimate presented to government in 1837 by Mr. Walker, the engineer it had appointed to examine from time to time the state of the work, and its probable cost. At that period 150,000*l.* of the company's capital had been expended, and 84,000*l.* worth of exchequer bills advanced by government, making together 264,000*l.* The estimate for the future consisted of two items, one of 150,000*l.* to complete the tunnel, and the other of 200,000*l.* for the shaft on the Wapping side, the great circular approaches, &c., forming a grand total of 614,000*l.*

And this, we are informed, will be about the actual expense. By the side of this we may place the cost of the latest in erection of the great metropolitan bridges, London, with its expenditure of two millions; or, if the disparity between the positive utility of the two works be objected, we may mention Waterloo, which has cost above a million.

RESOURCES OF RUSSIA.

The empire of Russia is surely extended enough: for the European portion alone contains two million square miles, and is inhabited by 54,000,000 of people! The city of St. Petersburg has swelled its population to very nearly 450,000. The fiscal affairs of Russia must have been well conducted, if we compare her existing public debt with those of other countries, and take into consideration her extent, population, the nature of her social condition, the wars she has played so conspicuous a part in, and the public works she has completed

Her public funded debt is	. . . . .	315,084,200 silver roubles.
Bills of credit in circulation		226,167,589 roubles.
Assignats of the empire		117,122,220 roubles.
making a total of		658,374,009 roubles.

or, reckoning the silver rouble at 3*s.* 2*d.* sterling, about £105,000,000. Poor old England, with her small surface and not half the number of people to bear it, has a debt more than eight times as large.

BOHEMIA.—The woollen fabrics of Bohemia produce annually, an amount of ten millions of florins. Their glass, which is the best in Europe, is carried all over the world, and produces annually, two and a half millions of florins. Their porcelain, earthenware, paper, silk, &c. are of very superior quality.—*National Intelligencer.*

BANK STATISTICS.

NEW JERSEY.

Since January, 1846, the increase of bank capital has been as follows:

Amount at that date.....		3,672,755
Union Bank, Dover.....	50,000	
Farmers & Merchants' Bank, Middletown.....	5,000	•
Belvidere Bank.....	11,070	
Commercial Bank, Perth Amboy.....	30,000	
State Bank, New Brunswick.....	21,875	117,945
		<u>3,790,700</u>
Deduct Plainfield Bank, failed.....	50,000	
New Hope and Delaware Bridge Co., failed.....	170,000	220,000
		<u>\$ 3,570,700</u>
Actual amount per annual returns, 1848.....		

Liabilities and Resources of the Banks of New Jersey, compiled for the Bankers' Magazine, from the annual returns, January, 1848.

<i>Liabilities.</i>	<i>Capital.</i>	<i>Circulation.</i>	<i>Deposits.</i>	<i>Miscella's.</i>
Belvidere Bank.....	100,000	181,460	38,904	34,142
Cumberland Bank.....	52,050	85,584	43,837	26,346
Mechanics' Bank of Burlington...	50,000	69,032	42,142	18,950
State Bank Camden.....	260,000	187,586	196,600	46,036
Union Bank.....	100,000	181,474	34,650	19,077
S. B. Elizabethtown.....	200,000	132,271	81,684	36,640
Burlington Co. Bank.....	70,000	49,665	52,250	11,681
Farmers' Bank of New Jersey...	100,000	62,384	66,013	43,490
Farmers & Merchants' Bank.....	30,000	55,463	28,651	7,115
Morris County Bank.....	50,000	78,533	61,150	22,600
State Bank, Morris.....	100,000	7,804	9,671	11,818
Mechanics' Bank, Newark.....	500,000	160,514	134,304	71,708
Newark B. & Insurance Co.....	508,650	162,897	248,880	109,160
State Bank, Newark.....	400,000	109,159	99,010	70,733
“ New Brunswick	140,000	208,149	124,374	26,445
Sussex Bank.....	67,500	162,923	50,654	35,302
Orange Bank.....	102,500	69,294	10,660	2,410
Commercial Bank, Perth Amboy..	60,000	103,622	13,944	8,317
Peoples' Bank.....	75,000	138,326	11,676	9,996
Princeton Bank.....	90,000	49,480	99,184	11,440
Farmers & Mechanics' B. Rahway.	130,000	80,036	41,300	18,240
Salem Banking Co.....	75,000	68,073	41,410	7,636
Mechanics & Manuf. Bank.....	100,000	96,618	55,900	25,270
Trenton Banking Co.....	210,000	199,084	151,627	76,053
Total liabilities.....	\$ 3,570,700	\$ 2,699,431	\$ 1,738,475	\$ 750,605

<i>Resources.</i>	<i>Loans.</i>	<i>Bk. Balances. and Notes.</i>	<i>Miscellaneous.</i>	<i>Specie.</i>
Belvidere Bank.....	200,765	108,727	5,436	39,577
Cumberland Bank.....	110,006	59,055	9,635	29,120
Mechanics' Bank, Burlington.....	112,755	37,771	6,785	22,815
State Bank, Camden.....	560,061	59,100	17,613	53,450
Union Bank, Dover.....	231,630	67,395	2,000	34,176
State Bank, Elizabethtown.....	353,912	39,394	28,100	29,190
Burlington County Bank.....	135,160	21,773	12,641	14,023
Farmers & Merchants' Bank.....	93,461	13,504	5,298	8,967
Farmers' Bank Mount Holly.....	199,480	17,862	29,910	24,636
Morris County Bank.....	135,952	54,486	10,132	11,713
State Bank, Morris.....	68,723	2,220	55,660	2,691
Mechanics' Bank, Newark.....	687,855	104,608	28,720	45,343
Newark Banking & Insurance Co..	792,136	169,968	26,637	40,847
State Bank, Newark.....	565,531	62,140	14,358	36,873
State Bank, New Brunswick.....	345,530	97,798	17,100	38,542
Sussex Bank, Newton.....	154,828	143,716	7,558	10,277
Orange Bank.....	130,941	20,841	22,936	10,146
Commercial Bank, Perth Amboy..	132,476	17,905	5,470	30,031
Peoples' Bank.....	161,362	60,525	600	12,511
Princeton Bank.....	192,521	25,308	17,504	14,771
F. & Mechanics' Bank, Rahway.	234,318	15,810	11,410	8,036
Salem Banking Co.....	111,960	32,151	24,290	23,718
Mechanics & Manufacturers' Bank	181,125	40,294	25,400	30,968
Trenton Banking Co.....	491,056	62,351	19,382	63,975
Total resources.....	\$ 6,333,544	\$ 1,334,702	\$ 404,575	\$ 636,391

Comparative view of the condition of the Banks of New Jersey.

<i>Liabilities.</i>	<i>Jan'y. 1846.</i>	<i>Jan'y. 1848.</i>
Capital stock.....	3,672,755	3,570,700
Current deposits.....	1,814,098	1,738,475
Circulation.....	2,394,102	2,699,431
Miscellaneous.....	675,100	750,605
Total liabilities.....	\$ 8,556,055	\$ 8,759,211
<i>Resources.</i>	<i>Jan'y. 1846.</i>	<i>Jan'y. 1848.</i>
Loans, stocks, bonds, &c.....	6,630,041	6,383,543
Bank balances and bank notes.....	1,012,048	1,334,702
Specie.....	594,635	636,391
Miscellaneous.....	319,331	404,575
Total resources.....	\$ 8,556,055	\$ 8,759,211

Although there is apparently but a small amount of specie held by the New Jersey banks to meet their circulation, it must be borne in mind that they have at New York and Philadelphia, ample funds to meet their bills, which are usually at par in these two cities. The community is well secured against losses from this source. The bank capital of New Jersey is small, when compared with other states of the same population and is less than one-half the bank capital of Providence, (Rhode Island.)

MISSOURI.

Bank of the State of Missouri and five Branches.

<i>Liabilities.</i>	Dec. 31, 1845.	Dec. 31, 1847.
Capital stock owned by the state.....	954,205	954,205
Do. owned by individuals.....	246,377	250,511
Contingent fund.....	79,978	98,850
Suspense account.....	17,223	17,223
Unclaimed dividends.....	920	915
Interest and exchange.....	176,612	196,870
Circulation.....	2,195,840	2,404,160
Bank balances.....	37,858	138,073
Individual deposits.....	1,295,508	1,363,736
Total liabilities.....	\$ 5,004,521	\$ 5,424,543
<i>Resources.</i>	Dec. 1845.	Dec. 1847.
Bills discounted.....	1,433,038	1,726,976
Exchanges matured.....	544,675	136,245
Exchanges maturing.....	733,894	511,168
Due by State of Missouri.....	76,844	106,295
Suspended debt.....	170,046	164,218
Real estate.....	136,016	122,574
Expense account.....	14,445	15,451
Certificates of Bank of Illinois.....	183,946	181,786
Do. of State Bank of Illinois.....	24,367	24,367
Bank notes.....	185,736	47,040
Gold and silver coin.....	1,453,614	2,314,719
Bank balances.....	47,900	20,520
Loan to State to pay volunteers.....		4,277
Bills receivable for real estate sold.....		48,910
Total resources.....	\$ 5,004,521	\$ 5,424,543
Dividend for the last six months, five per cent.		
Bank interest seven per cent., for all paper over 60 days.		

Bank of the State of Missouri and Branches.

<i>Location.</i>	<i>Circulation.</i>	<i>Specie.</i>	<i>Deposits.</i>	<i>Loans.</i>
St. Louis.....	1,391,000	1,803,000	1,207,000	1,404,000
Fayette.....	233,000	95,000	21,000	235,000
Palmyra.....	184,000	77,000	33,000	204,000
Jackson.....	198,000	119,000	12,000	204,000
Springfield.....	159,000	90,000	20,000	184,000
Lexington.....	239,003	130,000	70,000	285,000
Total, Dec. 1847.....	\$ 2,404,000	\$ 2,314,000	\$ 1,363,000	\$ 2,516,000
Total, Dec. 1845.....	\$ 2,195,000	\$ 1,453,000	\$ 1,295,000	\$ 2,710,000

The entire capital of the bank is \$1,204,716, of which \$954,205 is held by the state, and \$250,511 held by individuals. The above exhibit is highly flattering to the stockholders, and promises a large profit account for some years to come—there being no other banking institutions in the state, while this bank furnishes a large portion of the circulation for both Missouri and Illinois.

TENNESSEE.

Planters' Bank of Tennessee and Branches.

<i>Liabilities.</i>	July, 1845.	July, 1847.	Oct. 1847.
Capital stock.....	2,248,300	2,248,300	2,248,300
Office balances in transitu.....		23,285	29,382
Bank balances.....	62,598	96,066	67,507
Dividends unpaid.....	7,367	10,130	7,334
Individual deposits.....	351,317	318,612	331,421
Circulation.....	1,228,578	1,673,733	1,262,756
Profit and loss.....	219,647	18,222	10,742
Total liabilities.....	\$ 4,117,807	\$ 4,388,348	\$ 3,977,442
<i>Resources.</i>	July, 1845.	July, 1847.	Oct. 1847.
Notes discounted.....	1,323,682	1,374,625	1,320,567
Domestic bills of exchange.....	482,100	780,610	927,545
Suspended debt.....	647,842	306,906	282,064
Real estate.....	253,044	188,050	202,832
Bank balances and notes.....	527,873	644,631	249,812
Bank stocks and Tennessee bonds.....	481,350	576,650	577,250
Coin on hand.....	401,916	516,876	417,372
Total resources.....	\$ 4,117,807	\$ 4,388,348	\$ 3,977,442
<i>Recapitulation, Oct. 1847.</i>	Circulation.	Coin.	Deposits.
Bank of Tennessee.....	1,532,000	552,000	*636,000
Planters' Bank.....	1,282,000	417,000	331,000

Bank of Tennessee.

The Joint Select Committee appointed to examine into the condition of the Bank of Tennessee, submit the following statement as exhibiting its condition on the 1st of January, 1848, as nearly as they can ascertain from all sources of information within their reach :

<i>Liabilities.</i>	Jan'y 1, 1846.	Jan'y 1, 1848.
Capital stock paid in.....	3,192,715	3,226,976
Dividend account.....	461,478	
Deposit by treasurer of Tennessee.....	131,361	192,006
Internal improvement fund.....	11,703	11,703
Common school land districts.....	35,908	178,612
Bank balances.....	223,848	11,832
Circulation.....	1,293,247	1,532,324
Individual deposits.....	326,020	257,252
Profit and loss.....	361,400	
Miscellaneous.....	53,316	99,000
Total liabilities.....	\$ 6,089,996	\$ 5,509,705

*Including \$ 381,000, public deposits of the state.

Bank Statistics.

549

<i>Resources.</i>	Jan'y. 1846.	Jan'y. 1848.
Discounted notes.....	1,930,994	1,554,976
Discounted domestic bills.....	685,508	1,273,874
Suspended debt, estimated good.....	670,290	343,325
State bonds.....	274,750	266,746
Due by State of Tennessee.....	797,015	125,000
Real estate.....	206,267	105,441
Bank balances.....	406,541	159,840
Bank notes.....	171,995	159,412
Specie.....	709,672	552,000
Loss on banking means.....		777,360
Miscellaneous.....	236,960	191,731
Total resources.....	\$ 6,089,996	\$ 5,509,705

Funds created by Banking Operations.

Dividends for schools and academies,.....	1,062,000 00
Dividend account,.....	642,840 15
Contingent fund arising from bank capital,.....	244,696 03
Exchange account,.....	41,995 72
Discounts received,.....	44,836 47
Interest account,.....	30,758 94
Protest account, Trenton,.....	993 18
Damages,.....	4,433 94
Profit and loss,.....	2,453 52
	\$125,471 77
Deduct expense account,.....	19,777 28
	105,694 49
Total means created by the bank,.....	\$2,055,130 67

Funds furnished by State Treasury.

Internal improvement dividend,.....	5,256 00
Contingent fund from state treasury,.....	51,860 99
Total funds produced,.....	\$2,112,247 66

Funds abstracted by Legislative enactments.

Schools and academies,.....	1,062,000 00
Interest on state bonds,.....	1,118,111 80
Improvement of rivers,.....	169,344 75
Refunded to Ocoee purchasers,.....	10,480 37
Interest paid at Philadelphia, last 6 months, about.....	40,000 00
Schools and academies, one-half next dividend,.....	59,000 00
	\$2,458,936 92

Funds abstracted by Actual and Estimated Losses.

E. W. Dale, defalcation,.....	33,800 17
Hiwassee rail road stock,.....	25,000 00
Bills and notes in suit, estimated bad,.....	264,469 00
Estimated loss on real estate,.....	105,441 45
	\$428,710 62

Loss of capital at Athens, unexplained, but supposed to be re-funded to Ocoee purchasers,.....	1,960 81
Total funds abstracted,.....	2,889,608 35
Total funds produced,.....	2,112,247 66
Loss on banking means,.....	\$777,360 69

In the above estimate, your committee have made no allowance for any losses which may accrue on the discounted notes and domestic bills arriving to maturity, amounting in all to \$2,828,849 79, all being set down as good until the contrary appears.

Your committee have shown in the above exhibit the amount produced by banking operations since its organization, being a period of nine years; but have not been able to ascertain the precise per cent. annually made, as the capital stock was paid in at different periods of time after it went into operation; yet the average capital may be safely set down at \$2,850,000 00; on this amount she has made (independent of expenses) \$1,949,436 18, which would give six per cent. upon her real available capital, and leave \$410,436 18 to cover losses incurred by banking operations.

JOHN MUIRHEAD, *Ch'n on part of the Senate.*

TENNESSEE BANKS.—Our banks are at present comparatively doing nothing. Their circulation cannot exceed three millions. There is a marked contrast between the business of the present period and this time last year. Then, confidence and animation prevailed in almost every department of trade. Now, distrust and apprehension, with a general foreboding that we are yet to see still tighter times.—*Correspondent B. M.*

MICHIGAN.

Annual Statement of the Michigan State Bank, Dec. 31, 1847.

Resources.

Judgments, state stocks and securities.....	61,285 18
Banking house furniture.....	508 19
Stock of this bank, value.....	1,050 00
Michigan Central Rail Road 8 per cent. bonds.....	61,120 00
Bills discounted.....	170,231 95
Cash—coin.....	61,965 27
Specie paying bank notes.....	23,892 00
Deposits in Buffalo, New York and Boston.....	65,477 46
	151,362 73
Total resources.....	\$ 445,568 05

Liabilities.

Capital stock.....	140,500 00
Profits.....	15,707 29
Circulation prior to 1839.....	4,375 00
Other liabilities prior to 1839.....	2,140 49
Banks and bankers.....	328 17
Deposits.....	65,981 10
Circulation.....	216,526 00
Total liabilities	\$445,558 05

HISTORY OF THE CURRENCY.

A Chronological Sketch of the principal events in British History, relating to the Currency. From the Westminster Review, January, 1848.

The use of the precious metals, as money, was probably known in some parts of England at an earlier period than the invasion of Julius Cæsar, through the intercourse kept up with Cornwall by commercial nations known to have visited it for tin; but it may be assumed that metallic coins were first introduced by the Romans. On the departure of the Romans, and when the country was given up for several centuries to intestine divisions, we meet with, in the brief records of the time, occasional notices of the scarcity of money; and a species of *living money* may be said to have supplied the place of coin during a part of the Anglo-Saxon period. Slaves (the *theowes* or *servi* of "Doomsday Book") and oxen passed current in the payment of debts. The price of a slave was four oxen. The export of slaves to Ireland (then in the hands of the Danes) was the chief feature of the trade of Chester and Bristol. This was restricted, but not altogether abolished, by Canute, about the year 1030.

1066.—The Conquest. The ancient *Tower pound* (11 oz. 5 dwts. troy) of fine silver, with 3 dwts. of alloy (seignorage) coined into 20s. by William the Norman. Each shilling divided into twelve pence or *sterlings*. The same system of coinage which had been introduced in France by Charlemagne. A foreign gold coin in use at this period called a *Bezant*, ten of which were about equal to the Tower pound of standard silver.

1100 to 1135.—Reign of Henry I. *Tallies* first mentioned in the statutes of this reign (c. 56) as a means of collecting the revenue.

1229.—The pope's nuncio having acquired great influence in England, through the weakness of king John's government, orders the "tenths" to be collected in money instead of in kind. Payment exacted with great severity; and the rate of interest raised by the usurers to 60 per cent.

1257.—Gold pennies coined by Henry III. A gold penny weighed two *sterlings* or 45 grs. troy. This was the first gold coin struck by English monarchs.

1262.—The middle or average price of the quarter of wheat, as gathered from the 51 of Henry III, regulating the assize of bread and ale, 10s. per quarter (80s. in shillings of the present weight and standard.) The barons, during this reign, reproached Henry III, with pawning the credit of the crown by issuing "*Tallies* for the victuals of his table."

1274.—A parliament called by Edward I, to restrain *usury*, and oblige all Jews to wear a badge.

1279.—Two hundred and eighty Jews hanged for clipping and coining.

1289.—The Jews banished the kingdom by Edward I.

The Jews were succeeded in their vocation of money-brokers, by Italian merchants from Lombardy, who resided in that part of the city, which is still called after them, *Lombard street*, or the street of the Lombards. The stalls or benches at which their business was transacted gave rise to the term "*bank*," from the Italian *banco*, a bench. The Lombards were succeeded as private bankers or traders in money by the London goldsmiths; one of whom, Mr. Child, established about the time of the restoration, the earliest of the modern banking firms still existing, that of Messrs. Child & Co., Temple Bar.

1336.—The exportation of English and foreign coins prohibited by 9th Edward III, caps. 1, 9, 10, 11.

1337.—The Lombard money dealers accused of extortion, and their property seized and confiscated by a royal commission.

1344.—Gold *florins* coined by Edward III; but having been issued above their value, they were superseded the same year by a new gold coinage of *nobles*, *half nobles*, and *farthing nobles*. The *noble* was commanded to be a legal tender at 6*s.* 8*d.* about 13*s.* 4*d.* in silver of the present *standard*, and about 24*s.* in silver at its present *value*.

From this date till the year 1774, a *double standard* prevailed in England, silver and gold coins being both a legal tender; the silver coins at the price at which they were issued from the mint, the gold coins at prices fixed from time to time by royal proclamation, and governed by the market value of gold, as measured in silver.

1349.—The *Tower pound* of standard silver, coined into 22*s.* 6*d.* by Edward III.

1350.—The middle price of wheat, by the 'Statute of Labourers' (25th of Edward III,) 6*s.* 8*d.* per quarter, or 20*s.* in shillings of the present weight and standard.

1351 to 1364.—A poll tax of 4*d.* per head produces a popular insurrection, headed by Wat Tyler. Further debasement of the currency, in six successive coinages, by the last of which, under Edward IV, the *Tower pound* of standard silver was coined into 37*s.* 6*d.*

1382.—5th of Richard II, increases the penalties on the exportation of gold and silver coins.

1466.—5 Edward IV. The *Rial* coined, containing 5 dwts. of gold.

1489.—4th of Henry VII, increases the penalties on the exportation of coin to *double forfeiture*.

1490.—5 Henry VII. The first gold coin, called a *sovereign*, issued at 20*s.* It contained 10 dwts. of gold;—our present sovereign contains 5 dwts. 3½ grains.

1527.—The *pound troy* of 12 oz. substituted for the *Tower pound* of 11 oz. 5 dwts; and the pound troy of standard silver coined by Henry VIII into 40*s.* The *gold crown* coined containing 2 dwts. 9½ grs.

1528 to 1546.—Henry VIII debases the *pound troy* of silver in the next four coinages by mixing it with 8 oz. of alloy and coining the pound troy, so composed, into 43 shillings. This was the most violent interference with the currency recorded in British history, as attempted during the life-time of one monarch. The *sovereign*, in 1545, was reduced to 8 dwts. in gold. In 1546, the maximum of interest was fixed at 10 per cent., 37 Henry VIII, c. 9; previous to which all interest had been considered usury by statute.

1547 to 1551.—In the next three coinages, the pound troy is further debased by Edward VI, and made to contain 9 oz. alloy, and coined into 72*s.*

This was the extreme point attained by the progressive adulteration of the coinage. The shilling of William the Norman, which had contained 266 grains of fine silver, now contained only 20 grains; a difference nearly as great as that between twelve pence and three farthings; but we have to remember that the *real value*, or purchasing power over food and labor, of silver, had been progressively increasing up to this time, from the gradual discontinuance throughout Europe of the custom of payments *in kind*, and the consequent growing demand for money, which exceeded the average productiveness of the mines then worked. The average value, in other commodities, of *three farthings* in 1541, was about equal to that of *three pence* in 1066. Prior, therefore, to the reign of Henry VIII, the *depreciation* of the coinage by adulteration had not been nearly so great as the *appreciation* of the same quantity of fine silver by scarcity.

The last mentioned debasement of the coinage was formally sanctioned by parliament as a subsidy, "that the king might gain thereby £ 220,000," but limited, for this object, to the adulteration of 20,000 lbs. weight of silver bullion; but about the same time, the parliament determined upon the equally impolitic measure, in an opposite extreme, of returning to the ancient standard to the extent at least of restoring the purity of the silver in the current coin.

1552.—The proportion of alloy to fine silver, reduced from 9 oz. to 19 dwts., and the pound troy coined into 60s. A commercial treaty concluded with Sweden, of which the conditions were made to depend upon the importation of bullion.

1553.—Edward the VI dies (July 6th) in the 16th year of his age. A new coinage by queen Mary of the same mint standard as the last.

1554.—Philip of Spain, on his marriage with Mary, brings over with him 27 chests, 99 horse-loads, and two cart loads of gold and silver bullion; all subsequently spent in his foreign wars.

1555.—Growing scarcity of money. The queen, this year, obliged to borrow of the merchants at Antwerp, £30,000, at 14 per cent. on the joint security of the corporation of London and her own. Average price of wheat for the three years, ending 1555, from Fleetwood's tables, quoted by Adam Smith, 8s. per quarter, in money of the present standard.

The change in the currency effected by the last coinages of this period *quadrupled its value*. The shilling, which contained but 20 grains of pure silver in 1551, was now made to contain 88 grains. Its effect was of course to increase fourfold the burdens of rents, taxes, and every class of fixed obligations. Henry VIII had cheated his creditors by paying them in base coin, but as his revenue was collected in base coin, he had practically lightened by it the burdens of the people; the well intended measure of restoring the purity of the standard made them intolerable. This will be understood by the reader, if he will imagine the consequences to himself of being called upon to pay his assessed taxes, in sovereigns weighing each 20 dwts. 12 grs., instead of 5 dwts. 3 grs. Of course the demand for bullion would be quadrupled, as it was in queen Mary's time; and from the increased cost of production, the coin would go abroad in remittances of payment, instead of goods, as it did then, and as it did again subsequently in the reign of William III. This explains the reason, why that cheapening of silver which resulted generally in Europe from the discovery of the mines of Potosi, in 1545, was not felt in England till the latter end of the reign of Elizabeth. The supply had increased, but not increased in England in the proportion of the artificial demand occasioned by raising the standard. Queen Mary was unpopular as a bigoted and persecuting Roman Catholic monarch, but from the first she was thrown into a false position with her subjects by causes of which neither she nor the historians of the time understood the operation. That operation, however, was far less severe than a similar measure would be in our own times, because in the reign of Mary, our foreign trade was inconsiderable. The little commerce we had then was in the hands of merchants belonging to the Hanse Towns, meeting in the *Steel Yard*, and the entire revenue of England amounted but to £300,000.

1560.—The pound troy of silver, made to consist by the 2d of Elizabeth, of 11 oz. 2 dwts. of fine silver, and 18 dwts. of alloy, at which standard it has since remained. The pound troy so composed, coined by Elizabeth into 60s.

1562.—Wheat allowed to be exported by the 5th of Elizabeth when it reaches the price of 10s. per quarter. This low price quoted by Adam Smith, as an evidence of the continued dearness of silver.

1571.—13th of Elizabeth, c. 8, confirms the 37th of Henry VIII, c. 9, fixing the maximum of interest at 10 per cent.

1580.—The Baltic Company formed. The first association of *English* merchants engaged in foreign trade.

1587.—Elizabeth defeats the Spanish Armada.

1597.—The privileges abolished of the Hanseatic merchants meeting in the *Steel Yard*.

1600.—The pound troy of standard silver coined by Elizabeth into 62s.

Subsequent coinages of the shilling have remained the same until the year 1816, when the pound troy of standard silver was coined into 64s.

1601.—The foundation of a systematic provision for the poor established by the 43d Elizabeth.

1603.—Elizabeth dies, and is succeeded by James I. The crown passing from the family of Tudor to that of Stewart.

1604.—Gunpowder plot.

1605.—The *Unity* Sovereign coined, containing 6 dwts. 11 grs. (The fourth change since 1545.)

1612.—The comparative cheapness of gold at this period not increasing relatively so fast as silver, gold rises 2s. per oz.

1620.—The *laurel* sovereign coined, containing 5 dwts. 20 grs. of gold. The average price of wheat for this year, and the twenty-five years preceding, 37s. for the quarter of eight bushels.

1624.—The maximum of legal interest reduced from 10 to 8 per cent. by the 21st James I, c. 17.

Towards the close of the reign of Elizabeth, the influences upon prices began to be felt, of that vast and disproportionate supply of the precious metals, as compared with the demand, which resulted from the discovery and conquest of Peru. Subsequently, also, to the destruction of the Spanish Armada, England, and indeed the greater part of Europe, began to enjoy the blessings of a settled government, and with it came an expansion of credit, which, co-operating with an actual depreciation of gold and silver, but especially silver, all over the world, had, of course, a marked effect upon the nominal value of articles of merchandise, as measured by metallic coins.

Our readers will notice the falling rates of interest which commenced with this era of cheap money. David Hume and Adam Smith attribute these lower rates solely to increase of capital; contrary to the opinion of Locke, Law, and Montesquieu, who considered that the influx of the precious metals sufficiently accounted for the fact. We hold that the latter were right, although the two former had the best of the argument. David Hume and Adam Smith seem to have too hastily concluded, with some of our modern economists, that because money represents capital, therefore the demand for capital is always commensurate with the demand for money.

A most serious mistake, as we have already endeavored to explain. *The demand for money depends upon the balances of trade.* Falling prices turn the scale in favor of money; rising prices turn the scale in favor of commodities. When, therefore, upon the influx of the treasures of South America, prices rose, and with them profits, the demand for money diminished; and diminishing in a more rapid ratio than its intrinsic value, in consequence of its place being supplied by the *money of account*, the result was shown in both a nominal and real reduction of interest. Let us repeat here what we may yet have to repeat again, that the test by which to discover whether a high rate of interest is or is not occasioned by a scarcity of capital, is a rise or fall of prices in reference to that kind of capital most imperatively required. If *capital* had been scarce when queen Mary was borrowing money at 14 per cent., would the price of wheat have been 8s. per quarter? In the case before us we see, that with interest of money reduced to 8 per cent. the price of wheat had risen to 37s. per quarter.

1625.—James I dies, and is succeeded by Charles I. Base money still continues to be issued for circulation in Ireland.

1636.—Average price of wheat at Windsor market for the 16 years ending this year, 44s. per quarter.

1640.—Charles I having failed in his attempts to levy money without the consent of parliament, and being refused an advance of £200,000 by the city of London, seizes as a forced loan, £40,000, belonging to private merchants, deposited for safety in the Tower Mint.

1649.—Charles I executed at Whitehall (January 30.) The quantity of bullion

coined during this reign, estimated at £12,096,220. A greater amount than was coined during the two reigns of Elizabeth and James.

1650 to 1659.—The commonwealth and protectorate of Cromwell. The Jews again permitted to settle in England. The maximum of legal interest reduced to 6 per cent. Average price of wheat for the ten years, ending 1659, 45s. 9d. per quarter of eight bushels.

From this period we may continue our chronological sketch at regular decennial intervals.

Period of 10 years with the average price of wheat per quarter of 8 bushels.

1660 to 1669.—Restoration of Chas. II. (1660.) A return of exports and imports by Dr. Chas. D'Avenant, inspector-general of customs (1662.)

Exports, £2,022,812.

Imports, £4,016,019.

The public revenue for 1662 under 1,100,000*l.* 1663.—Gold imported from *Guinea*, and the *Guinea* sovereign coined, containing 5 dwts. 9 grs. of gold; issued at 20s. Plague of London, 1665. Fire of London, 1666. The dutch sail up the Medway, and burn our shipping (1667.) Wheat 44s. 9½*d.*

1670 to 1679.—Chas. II, to obtain funds for the dutch war, shuts up the exchequer (1672,) seizing, as a permanent loan, 1,300,000*l.* advanced upon the security of exchequer tallies, in anticipation of the revenue. Panic in the city. Run upon the goldsmiths, the private bankers of the time, many of whom were compelled to stop payment. Ten thousand families said to have been ruined by this measure. The statute of 12 Car. II, cap. 13, of the same year, again fixes the maximum of legal interest at 6 per cent. Wheat 44s. 9*d.*

1680 to 1689.—A penny post first set up by Mr. Murray (1683.) Charles II dies, and is succeeded by James II, 1685. James II dethroned and is succeeded by the prince of Orange and Nassau, 1688. William III conciliates the landed interest by granting a bounty of 5s. per quarter on the exportation of wheat (1689.) Wheat 35s. 8½*d.*

1690 to 1699.—First years of bounty money on the exportation of wheat; seven years of extreme dearth, during part of which the bounty money was suspended; six years of a currency depreciated in value, by light weight, 25 per cent. *Guineas* sold at 30s. The Bank of England established in 1694. The old value of the shilling restored by a new coinage, 1695. Foreign coins allowed to be exported about the same time, on oath that they were foreign; and watches, sword hilts, &c., of silver manufacture. Drain of bullion. Panic. Suspension of the bank. Exchequer bills first issued as a substitute for tallies; in this case limited to 3,000,000*l.* and issued for small sums, to relieve the pressure. The amount still represented by tallies in 1698, 8,882,544*l.* Wheat 50s. 1*d.*

1700 to 1709.—Years of an enhanced currency, government loans and continental wars. The national debt raised by William III, from 664,263*l.* to 16,394,701*l.* Union with Scotland in the 5th year of queen Anne (1707.) Threatened invasion of the pretender at the close of the same year. Panic. Run upon the bank. The government helping it through its difficulties by guaranteeing for six months 6 per cent. interest upon bank bills. Wheat 35s. 0½*d.*

We have already explained at length the disastrous effects of the new coinage, in producing, an artificial scarcity of money and a falling market. These consequences would have been avoided but for the error of Locke, that "men in their bargains contract not for denominations or sounds, but for intrinsic value." He failed to perceive that intrinsic value can only be guessed at through the medium of denominations with which we are familiar, and that, therefore, when he raised the intrinsic value of the current coins by which rents, taxes, wages, and prices had been adjusted, he should have given his new shillings *new* names. It was an excellent opportunity lost for issuing a *decimal* coinage.

Period of 10 years with the average price of wheat per quarter of 8 bushels.

1710 to 1719.—Continental wars. Victories of Marlborough. National debt on the death of Anne, increased to 53,681,076*l*. 12 Anne, c. 16, reduces the maximum of interest to 5 per cent. Accession of George I, 1714. The following year the pretender proclaimed in Scotland and in the western counties of England. This was preceded by a run upon the bank, which lasted for several days without intermission. The price of guineas (guinea sovereigns) fixed at 21*s.*, 1717. The close of this period is memorable for the Mississippi and South Sea bubbles, which arose out of an universal expansion of credit when peace was secured abroad and at home. The royal exchange and other London assurance companies founded at this time. The government enabled, in 1716, to effect a great reduction in the interest and principal of the national debt. Wheat 43*s.* 5*d*.

1720 to 1729.—The reaction in October, 1720, of the South Sea, and other bubble speculations, produced a run upon the goldsmiths, many of whom, with the Sword Blade Company, that also acted as bankers, stopped payment. The Bank of England was again nearly swept away, but again weathered the storm. With the increased demand for money, all securities and every description of property fell in value. Trade was suspended, and the whole nation involved in suffering. It was about this time that the bank adopted the resolution of maintaining a reserved fund, called "the rest," to make good an occasional deficiency in the dividends to their own shareholders, and for extraordinary contingencies.

Geo. I dies 1727, and is succeeded by George II. Wheat 87*s.* 4*d*.

Bank Circulation.

1718.....	£1,829,930
1721.....	2,054,780

1730 to 1739.—Reign of George II. Peace throughout the first nine years of this period. War with Spain declared in 1739. Wheat 31*s.* 10½*d*.

1740 to 1749.—Heavy losses by Spanish privateers. Hanoverian wars. War declared against France in 1744. Bank circulation £4,000,000. Charles Edward sails for Scotland July, 14th, 1745; gains two victories and marches upon Derby, Dec. 4th. Panic. Run upon the bank. The bank obliged to pay in sixpences, and to block up the doors with its own friends, to gain time. Charles Edward retreats from Derby the same week, and is finally defeated at Culloden, April 6th, 1746. Peace with France and Spain, by the treaty of Aix la Chapelle, proclaimed 1749. Wheat 31*s.* 8*d*.

Mr. Francis tells us of this period, that

"The day on which the news arrived that the rebels were at Derby, was known in London as black Friday. The gates of the city were shut. The train bands were placed on duty night and day. The guards were ordered out. The tower was closed before its time. The shops were unopened, and no business was done excepting at the bank. Many of the inhabitants collected their valuables and fled from the country."

It was in the midst of a similar panic that Charles Edward had entered Edinburgh without a shot being fired. The retreat of his army, forced upon him by the Highland chiefs against his own bitter remonstrances, saved the crown by saving the bank. The Highland chiefs did not know how much the principle of *immediate and absolute convertibility* would have befriended their cause. The stoppage of the bank, that would have followed upon the next three days' march towards London, would have added such intensity to the demand for money, that no effective force could have been collected by the government, or long maintained. Yet, at this time, there were no notes in circulation under £20; and with our then double standard, the bank had the option of paying either in gold or silver. We shall presently see what became, in a similar crisis, of the principle of immediate convertibility, when the bank was required to pay in gold only.

Period of 10 years with the average price of wheat per quarter of 8 bushels.

1750 to 1759.—The 4 per cents. reduced $3\frac{1}{2}$ (1750.) The bank lend government 1,400,000*l.* at three per cent (1752.) War declared against France (1756.) The $3\frac{1}{2}$ per cents. reduced to 3 per cent. (1757.) 10*l.* and 15*l.* bank notes first issued, 1759. Wheat 37*s.* 5*d.*

1760 to 1769.—Bank circulation, 1761, 6,001,810*l.* George II dies and is succeeded by George III, 1760. National debt, at the peace of 1762, 146,682,843*l.* A commercial crisis at Amsterdam and Hamburg, and numerous bankruptcies in both cities. The pressure relieved by advances from England to solvent houses, 1763. Dearth of corn, and distress from the high price of provisions, 1768. The first issue of paper roubles (3*s.* 3*d.*) by the Russian government the same year.* The gold and silver coins having become deficient in weight, bullion rises in price. Gold sold at 4*l.* 2*s.* per oz., silver, 5*s.* 10*d.*, 1769. Average price of wheat for the last five years, 48*s.* 5*d.* per quarter, for the ten years, 41*s.* 4½*d.*

1770 to 1779.—Continued bad harvests. At the close of 1772 the light coin called in, and re-issued at full weight. Extensive failures, and a monetary panic, followed by a crisis still more severe on the continent, especially in Holland and France. The bank at this period maintaining the convertibility of its notes by a loss, according to Adam Smith, of from $2\frac{1}{2}$ to 3 per cent. for several years, on an average of 850,000*l.* per annum, the amount of bullion it was compelled to purchase and get coined. (This was to meet the run upon the new heavy guineas, which went abroad, like the new shillings of William III, and for the same reason.) In the year 1774, were passed the coercion bills, with which originated the first war with our American colonies; and in the same session the act for the adoption of a gold standard (14 George III, c. 42,) by which silver was disallowed as a legal tender for sums exceeding 25*l.* Average harvests from 1775 to 1778, and an unusually abundant crop in 1779. Bank circulation same year, August 31, 7,276,540*l.* Wheat 49*s.*

The substitution of a gold standard for our ancient double standard of gold and silver appears to have attracted little public attention, as a subject upon which few had thought, and therefore one upon which those who could talk learnedly were allowed to legislate in their own way. The reasons assigned for the change were the variations in the relative value of the two metals, and the practical inconvenience of having continually to adjust their relative prices. This was an argument for a single standard, although one which appears to us of very secondary importance, but not a reason for adopting the dearer metal as a standard rather than the cheaper. The argument for this was, that if the dearer metal were made to govern the price of the cheaper, there would be no variations in the relative price of either. The answer is, that although the variations would not be apparent, they would be as real as before: and that, as all experience proves that the tendency of silver is to fall in value relatively to gold, from a more rapid rate of increase, the change was certain to give to the creditor the advantage which had hitherto been enjoyed by the debtor, who having had the choice of paying in silver or gold, of course paid with the metal most easily procured. But this is a point of but little moment compared with the obvious fact, that in choosing the dearer metal for our single standard, we necessarily augmented the chances of momentary disturbance. The proportion of value of silver to gold is 1 to 15, but the proportion of *quantity* of silver to gold existing in the world is supposed to be as 50 to 1. In the proportion, therefore, of $3\frac{1}{2}$ to 1, the difference between a silver and a gold standard, and greatly beyond that by the difference between a single and a double stand-

*Macpherson's "Annals of Commerce," iv, 8. The difference between the paper rouble and the silver rouble was but 3 per cent. for nine years; but the subsequent unlimited issues of the Russian government during the war, reduced the paper rouble to one-fourth only of the value of that of silver.

ard, did we, in 1774, increase the disability of the nation to meet a new and sudden demand for metallic money, with an immediate and commensurate supply.

Let it be understood, and it is important that this should be generally known, the principle adopted in 1774 of allowing nothing as a tender but the rarest and dearest of metals was an entirely new rule of administration in the history of nations. The ancient Roman standard was copper;* and in modern times a tender of silver, or of either silver or gold, has been held by the common law of mankind to be a legal discharge of contract debts. We stand alone, with the exception of Portugal, as the only civilized community in the world that exacts from a debtor for every pound a prescribed weight of gold, even though it cost him a pound of flesh. Upon this new, and to our thinking, most perilous experiment, we entered, when? Upon the eve of the outbreak of those civil convulsions which shook Europe to its centre, and when we were about to add £700,000,000 to the national debt, within the life-time of the then reigning monarch.

Period of 10 years with the average price of wheat per quarter of 8 bushels.

1780 to 1789.—New York surrendered to Washington by lord Cornwallis, 1781. The independence acknowledged of the thirteen United States, Dec., 1782. *Tallies* finally abolished, 1783. Pitt introduces his plan for a sinking fund, 1786. Commercial treaty with France, 1787. The states-general of France assembled May 5, 1789. The following harvest deficient, and a great dearth of corn in France. Wheat 49s. 10½d.

1790 to 1799.—First issue of *assignats* by the constituent assembly of France, April 19, 1790. Louis XVI beheaded Jan. 21, 1793. The next week England declares war against France, and joins the coalition. *Drain of gold. The bank contracts its discounts.* Feb. 19.—*One house fails for nearly £1,000,000. Panic. Failures throughout the country. Universal hoarding. Upwards of 100 country banks stop payment.* The following April, a committee of the house recommend an advance to merchants, on securities, of £5,000,000 exchequer bills. The panic subsiding on this announcement, and on an extension of discounts, £2,202,200 only advanced; all ultimately re-paid. £5 bank notes first issued the same month. *General fall of prices from 1792 to 1794.* Robespierre beheaded, July 27, 1794. The issue of *assignats* augmented in 1796 to the nominal amount of £132,316,000, exclusive of the forged imitations said to have been circulated by Pitt. The whole become waste paper. The same year Buonaparte overruns Italy. Some French troops land in Wales from a frigate driven on the coast. *Alarm of invasion. Discontent in the fleet; subsequently breaking out into open mutiny. Drain of gold. The bank contracts its circulation from £10,824,150, March, 1796, to £8,640,250, Feb. 25, 1797. The next day an order in council commands the bank to suspend specie payments.* Bullion left Feb. 28, £1,086,170. March 4.—£1 and £2 notes first issued. The same year the 4s. 2d. dollar re-stamped, and issued at 4s. 9d. Three deficient harvests in this period. Gazette averages of wheat, January, 1799, 49s. 6d. Windsor averages for the ten years, 62s. 1½d.

Three and twenty years only have elapsed since the adoption of an exclusively gold standard, and we find it has broken down. We have now a new standard of *inconvertible* paper supported by the joint credit of a wealthy corporation and that of the state. The origin of the distrust of this paper, and the apprehensions of the bullionists, will be seen in the fate of the French *assignats*. The result, however, was not the same in both cases, and it is important to point out the reason. Wherein did the *English assignats* differ from the *inconvertible* notes of the French constituent assembly?

* The *as*, or *pondo* (whence the word *pound*), coined into twelve parts or *uncia*, 550 years before Christ. The silver *denarius* was first coined 250 years before Christ. The gold *aureus* 204 years before Christ.

The difference was in this—not in the form of note, for forms are immaterial, but in the principle of their issue. The French assignats were *given away** by the government in payment of its own expenditure; the English assignats were *lent* only, and *lent at interest*, upon securities for the return of the original notes, with the interest in addition.

It is extraordinary that this most essential distinction should not have been detected by the bullionist writers of the time, or if detected, that they should still have reasoned them as the advocates of convertibility for the most part reason now, as if there were no difference between the accommodation bill of a swindler and the promissory note of a Rothschild; and upon the sage maxim, that paper money is always paper money, and therefore, to be regarded as the object of a vague terror, no matter what the conditions of limitation, and the check imposed upon excessive issues.

Observe the operation of the check in the case of the assignats of the Bank of England. The bank could not have issued £180,000,000 of these notes, because the public would not have been willing or able to pay £9,000,000 per annum for the use of them, and because, if willing, it could not have found £189,000,000 to deposit in *securities* for the re-payment of capital and interest. And observe further, that the check *now* upon excessive issues of Bank of England notes is not convertibility (excepting at a moment of drain,) but the provision made for recalling the same notes at average intervals of three months, with interest for the use of them during that period. In ordinary times, the interest of a bill discounted at the Bank of England is paid with the notes of the Bank of England, as during the restriction act—not with gold. And this does not at all interfere with the operation of interest as a check, because *the principle of the check is the receiving more back than was paid out*. The present regulation of this check is, however, imperfect; and it was imperfect during the war, for a reason we have already pointed out, the difference between a *nominal* and a *real* rate of interest. The tax paid for the use of paper money should be governed by the return of capital, as measured by a general average of commodities—not by gold alone. In other words, nominal rates of interest should rise with the nominal prices of commodities (not fall, as under our present system.) *Paper money issued only upon securities, and at rates of interest, so regulated, could never be issued in excess.*

We may here afford a smile at that total oblivion of history which enables a certain class of writers, and writers not always of the least pretensions, to declaim upon the *impossibility* of an inconvertible currency in a commercial country. The past is lost upon them. The Spanish Armada, fitted out with gold, was defeated by the impoverished exchequer of Elizabeth, with *wooden tallies*. A life and death struggle with the armies of Napoleon was maintained for twenty years with *English assignats*, and those very assignats, or inconvertible bank notes, *bought the gold* which in 1819 enabled the Bank of England to resume cash payments.

* This does not apply to the first issue of the constituent assembly in 1790, which was limited to £2,500,000, and which the government received back again in the taxes, and in payment of the confiscated estates sold by auction. The subsequent excessive issues, without any provision for withdrawing any portion from circulation as they fell in value, were in the days of the *national convention*, and the first *legislative assembly*, bodies both of them constituted of inferior elements to those which formed the *constituent assembly*. The notes of Law's bank, 78 years before, became depreciated in a similar manner. The regent borrowed and paid them away at his own discretion; and the bank, though it advanced them at interest, took false securities for the payment—the security of a bankrupt government, and the fictitious values of Mississippi bonds.

1798.—Rebellion in Ireland.

1799.—The duke of York capitulates and abandons Holland to the French. Fall in the prices of transatlantic produce, coincident with a rise in the price of corn. Numerous failures in the commercial towns of Bremen, Amsterdam, Frankfort, Hamburg, &c., extending also to Liverpool. In Hamburg the rate of discount raised to 15 per cent., and 82 merchants there stop payment for £2,500,000. The pressure at Liverpool relieved by a government advance of £500,000 in exchequer bills.

1800 to 1809. **1800.**—Union with Ireland (39 & 40 Geo. III, c. 67.) Two deficient harvests, and a great foreign demand for corn, partly occasioned by the war. Price of wheat, March, 1801, 15s. 2d. per quarter. Falls at the close of the next to 57s. 1d. Peace of Amiens in 1802. The war renewed, 1803. Price of wheat falls to 49s. 6d., March, 1804. A prohibitory duty imposed the same year of 24s. 3d. per quarter on the importation of wheat, when the price should be under 63s. The 4s. 2d. dollar re-stamped, and issued at 5s. Threats of invasion. A flotilla assembled at Boulogne by Napoleon. Arming of the militia, 1805. Martello towers erected along the coast; battle of Austerlitz; and death of Nelson in the naval victory of Trafalgar. The Berlin decrees of Napoleon interdict the commerce of England with the continent, 1806. England retaliates, 1807, by prohibiting the trade of neutral vessels. Russia closes its ports against England, and Napoleon issues further decrees from Hamburg and Milan to enforce a strict blockade of the British islands. Rise of prices in hemp, flax, tallow, memel timber, silk, wool, and other articles affected by these decrees; and great speculation in them, extending to copper, lead, and all materials generally of army munitions. **1808.**—Great speculations in the shares of new companies. Deficient harvests this and the following year. **1809.**—The English retreat from Portugal, and fail in their disastrous expedition to Walcheren. Gold rises to £4 12s. per ounce. The bullion committee appointed Francis Horner, chairman. Average price of wheat 88s. 7½d.

The report of the bullion committee made in the following year is the most graphic illustration of the Tenterden Steeple fallacy that it would, perhaps, be possible to find in the history of philosophy. It is a report in which the effect of deficient harvest—the effect of a war, expenditure, exceeding 500 millions for the twelve preceding years, the effect of the new corn law, the effect of the Berlin and Milan decrees, stand for nothing as disturbing elements of commerce, and the restriction of cash payments, alone, is stated to have caused the fall of the exchanges and rise in the price of gold, and also to have led generally to a rise in the price of all commodities. Upon each of these points the report has been ably answered by Mr. Tooke, himself a qualified supporter of the same metallic theory. Mr. Tooke proves—1. That the rise of prices was neither general nor uniform, and that in the two last years, when gold was rising, the reaction of the speculative spirit of 1807 and 1808 caused a general fall in the price of all commodities that had been affected by it;* 2. That for the twelve years following the restriction act there was only one period of a few months (in 1801 and 1802) during which the price of gold was above £4 per ounce (the price fixed by the bank,) or the price of silver higher than it had been during the greater part of the last century; and 3. That the state of the bank circulation was remarkable for its equability during nearly the whole of this period, and not greater than it would probably have been without a restriction act. Mr. Taylor has also pointed out (a fact overlooked both by Ricardo and Mr. Tooke) that coincidently with the first rapid rise of gold in the autumn of 1808, there was not an expansion, but a great contraction of the circulation.

* "History of prices," vol i, page 361. Mr. Tooke says, that, with the exception of corn, land and materials of ship building, &c. "all objects of exchange were lower in price in 1810 and 1811 than in 1800; in few instances less than 20 per cent., and in some instances upwards of 50 per cent., as measured in paper; while gold had risen 25 per cent."

	Bank Notes in Circulation.	Price of Gold per oz.
August 21, 1807.....	£19,678,360	£4 0 0
" 1808.....	17,111,290	4 10 0

This is, perhaps, the most decisive evidence that can be offered, as a single fact, of the variableness of gold as a standard of value, and the delusiveness of the modern theory of the foreign exchanges. The fall in the exchanges of this period, that is to say, the lowered value of all bills drawn upon London, was simply occasioned, not by any depreciation of bank paper, in the true sense of the term, but by the enormous excess of those bills in the market, in reference to the demands of a crippled trade, bills drawn by English officers abroad on army agents at home, or bills drawn by foreign powers on the English treasury on account of subsidies. Our subsidies to foreign powers, which for seven years had been inconsiderable, were in 1808, £2,897,873, and for the seven years, ending 1814, £29,091,989, a very large proportion of which had, through the "continental system" of Napoleon, to be paid in gold.* The subsequent history of the exchanges is that of bills upon London sometimes rising in price with an increase of the bank circulation, and sometimes falling, and falling when the expansion was greatest, viz. in 1814.

1810.—Depression of prices on the recoil of speculation. Extensive failures, and great demand for money. The bank increases its circulation by 4,500,000*l*. Price of gold falls from 4*l*. 11*s*. to 4*l*. 4*s*. 6*d*.

1811.—Regency act passed (Feb. 11.) Immense armies traverse the continent. Gold again rises, and guineas, shillings, and even pence, begin to disappear from the circulation. The 4*s*. 2*d*. dollar issued at 5*s*. 6*d*. The house to prevent the inconvenience of rents being claimed in gold, adopt a resolution, on motion of Mr. Vansittart, to the effect that a one pound note and a shilling shall be a legal tender for a guinea—guineas then selling at 27*s*. in bank paper.

1812.—Through a succession of four bad harvests at home and abroad, the price of wheat rises in August to 155*s*. per quarter. Price in France 150*s*. per quarter. Wellington victorious in Spain. The French retreat from Moscow, (Oct. 19.)

1813.—Average harvest. Wheat falls in Dec. to 73*s*. 6*d*. Gold rises to 5*l*. 10*s*. per ounce. General opening of continental ports, and rise of prices of most articles of British export. Napoleon defeated at Leipsic.

1814.—Restoration of the Bourbons, (April.)

	Bank Circulation.		Price of Gold.
28th Feb.....	£24,801,080		
31st Aug.....	28,368,290		
	Bullion in the Bank.		
28th Feb.....	£2,204,430		£5 8 0
31st Aug.....	2,097,680		4 5 0

Gold again rises in price on the escape of Napoleon from Elba. Falls after the battle of Waterloo. National debt, at the close of this year, 856,984,028*l*.

1816.—Deficient harvest. The pound troy of standard silver coined into 66*s*. A great increase in the foreign trade, but a more than corresponding fall in the prices of Baltic and other produce, now glutting the home market, causes heavy losses and numerous bankruptcies during this and the two preceding years.

* *Bullion in the Bank of England.*

1808. Feb. 28	£ 7,855,470
" Aug. 31	6,015,940
1809. Feb. 28	4,488,700
" Aug. 31	3,662,480

† Fourth report of the committee on income and expenditure.

<i>Exports.</i>		
Official Value	{ 1813	£37,980,977
	{ 1816	57,420,430*
<i>Imports.</i>		
Official Value	{ 1813	£24,923,922
	{ 1816	31,822,053

1817.—Savings' bank fund established (57 Geo. III, c. 105 & 130.) Spafield riots. The banks begin voluntarily to resume cash payments, but are checked by government; the operation of heavy French and Russian loans, raised at a high rate of interest, having suddenly led to an export of bullion.

		Bank Circulation.	Bullion in the Bank.
Aug. 31.....	£29,543,780	£11,688,260	

1818.—Increased forgeries of banks notes. First coinage of the present sovereign, containing 5 dwts. 3½ grs. of gold. Numerous reform meetings. (About this time the writings of William Cobbett create a general but an erroneous belief in a necessary connection between bank paper and high prices.)

1819.—Manchester massacre. Resumption of cash payments. 59 Geo. III, c. 49, enacts that on the 1st of May, 1823, all notes of the Bank of England shall be payable in gold on demand at 3*l.* 17*s.* 10½*d.* per oz. Prior to that period, not to be paid in smaller amounts than the value of 60 oz. at 3*l.* 19*s.* 6*d.* till 1st October, 1821; and not less than 60 oz. at 3*l.* 17*s.* 10½*d.* till October, 1823. English as well as foreign coins allowed to be exported, by the same act. Average price of wheat in 1819, 72*s.*, but through the effect of five deficient harvests during this period, aggravated by the corn laws, the average price of wheat at Windsor for the ten years, 100*s.* 7*d.*

It must be said of British statesmen that if they sometimes lack foresight, they are at least never wanting in courage. The new experiment of 1774, of adopting as a single standard the rarest and dearest of the precious metals, had failed after a brief trial, and we find a legislature in 1819 yet bold enough to return to it, and to return to it at a moment of falling markets, the necessary consequence of a diminishing monopoly of the foreign trade of the world, and a diminishing government expenditure, and with such an accumulation of debt as the world had never before seen, a debt of £850,000,000, the dividends of which were now to be paid in gold, and the principal itself, to whatever extent it might please the fundholder to sell, at a moment of distrust, or when tempted by a better investment abroad.

The fallacy which misled the house and the political economists of that day, by whom ministers were influenced, was the comparative cheapness of gold, on the return of peace, when every hoard on the continent was suddenly released; and the apparent consequent facility of meeting with gold all engagements of bank paper. But this temporary cheapness was no test at all of what the difficulty might be of obtaining the amount of gold required, when new causes for hoarding it might arise; and surely with the gigantic mass of credit we had then built up, there ought to have been some misgiving of the prudence of risking the public security upon such an improbable contingency as the chance of no new and unexpected demand ever arising for bullion, greater than the average quantity that could conveniently be retained in this country. Some alternative of safety against a violent collapse of credit obligations, should at least have been retained until provision had been made for the ultimate extinction of the debt—until the paper which contracted the debt had discharged it—and this, but for the un-

* We have explained, in a former note, but would again draw attention to the fact, that a great part of the now customary excess of exports over imports, is occasioned by the foreign and colonial expenditure of government; for which, of course, there is no return in either money or goods.

fortunate state crotchet of convertibility into gold at a fixed price, would have been a matter of very simple financial arrangement. The history of the bullion market, on the peace of 1815, shows that gold was then so rapidly becoming a drug that had it not been for the large purchases of the Bank of England at £4 13s. 6d. and £4 per oz., with a view to the resumption of cash payments, gold would have fallen below the value of the bank inconvertible paper; and with bank notes at a premium, a comparatively trifling bonus would have induced the fundholder to have accepted, in exchange for his perpetual annuities, *terminable and life annuities*, of which some of the youngest among us might have hoped to live long enough to see the last.*

1820.—56 George III, c. 68, provides that silver shall not be a legal tender for more than 40s., instead of, as before, a legal tender for 25l. George III dies, in the 82d year of his age. Cato street conspiracy.

1821.—Death of Napoleon Bonaparte at St. Helena. Coronation of George IV and death of Queen Caroline. The bank pay all demands in gold.

1822.—Continued revulsion of prices, the funds excepted, and great commercial depression throughout Europe. The act of 1819 attacked in the house by Mr. Western and Mr. Attwood. The house defers the contemplated abolition of 1l. notes in 1823. A potatoe famine in Ireland. Mr. Vansittart reduces the 5 per cents. to 4 per cent. Meetings on the subject of agricultural distress.

1823.—Rising prices, improving trade, and falling rates of interest, towards the close of this year.

3 per cent. consols.		Premium on exchequer bills.
April 23, 1823.....	73½	10s. to 12s.
Jan. 1, 1824.....	86	51s. to 53s.
" " 1825.....	94½	68s.

1824.—Great speculations in the scrip and shares of foreign loans and new companies.

1825.—The recoil of speculation in the autumn of this year produces an increased demand for money, and a run upon the London and country banks. Seventy banks in town and country stop payment in the month of December. A drain of gold, consequent upon these stoppages, exhausts the bullion of the bank. The bank, supported solely by its credit, which remains unimpaired, extends its issues of paper by eight millions in one fortnight; upon which the panic subsides, and confidence is gradually restored.

	Bank Returns.	
	Circulation.	Bullion.
Feb. 28, 1823	£18,392,240	£10,384,230
" 28, 1824	19,736,990	13,810,060
" 28, 1825	20,753,760	8,779,100
Aug. 31, 1825	19,398,840	3,634,320
Dec. 3, 1825	17,477,290	
" 24, 1825	25,611,890	1,027,000
Feb. 28, 1826	26,467,910	2,459,510
Aug. 31, 1826	21,563,560	6,754,230
Feb. 28, 1827	21,890,610	10,159,020

The drain of bullion appears to have extended (from the evidence of lord Ashburton) considerably below the point shown in the official returns, even to "a few thousand pounds," but the increased issue of notes quickly enabled the private bankers to return the surplus portion of the gold they had withdrawn. Prior to this, the directors in their consternation

* It should be understood that bank paper was always convertible into gold during the war, but that the payment was *optional*, and not at a fixed price. The difference between gold and paper from 1803 to 1809 was but £2 13s. 2d. per cent. In 1813, £22 18s. per cent. The average difference during the last seven years of the war, was about 15 per cent.

had consulted the government upon another restriction act, which was peremptorily refused. It mattered not; the directors took upon themselves to return to the principle of issuing inconvertible notes; and the confidence of the public, not in the gold of the bank, but in its known solvency, carried them through the dilemma.*

The state of the circulation in 1824 proves that if the speculative spirit which then arose had been occasioned by money, it was an excess of *gold* rather than an excess of notes that was in fault. But let us not fall into the common currency mistake of confounding the effect with the cause. Both paper and gold were in excess of the average demand for money; the cause being, that with rising profits the demand for money had diminished. The speculative transactions of the time were conducted through the medium of the *money of account*. The demand for either bank notes or metallic money did not set in till the whole body of speculators became infected with distrust; and then we see how, in a moment, the principle of immediate convertibility into gold, *with no alternative of safety*, involves the prudent and the imprudent—the reckless gambler and plain plodding industry—in one common gulf of ruin.

1826.—Depression of trade throughout the first half of the year. The government advance £2,000,000 of exchequer bills to the bank. The bank advances a similar sum to manufacturers, on the security of dock warrants, bills of lading, &c. Trade resumes its accustomed channels.

1827.—7 Geo. IV, c. 6, prohibits the circulation of small notes for sums under £5, after April 5, 1829.

1830.—Death of Geo. IV. French Revolution of July. Opening of the Manchester and Liverpool railway, and death of Mr. Huskisson.

1832.—Cholera; and popular commotions on the rejection of the reform bill by the house of lords, and the accession to office of the duke of Wellington. Placards about the metropolis “to stop the duke—go for gold.” A run for gold, in consequence, reduces the bullion in the bank to 4,919,000*l*. Royal assent given to the reform bill, June 7th.

1833.—3 and 4 Wm. IV, renews the bank charter act, and allows, for the first time, the bills of country banks to be made payable in London. Bank notes to be a legal tender for sums above 5*l*., excepting by the bank itself, or its branches.

1834 to 1837.—Three months' bills exempted from the usury laws by the 3d and 4th Wm. IV, c. 98. Improving prices, and speculations in railway and other share undertakings. President Jackson abolishes, in 1836, the Bank of the United States, and takes measures to establish a metallic currency. Congress reduces the quantity of fine gold in the American *Eagle* from 246 to 232 grains, which raises throughout the United States the value of English sovereigns. Consequent drain of gold at the Bank of England. Alternate contraction and extension of discounts, and general commercial derangement at the close of 1836, and the beginning of 1837. American houses the greatest sufferers. Death of William IV, 1837.

Bank Returns.

	Circulation.	Bullion.
1834. Jan'y. 7,	£18,216,000	£9,948,000
Sept. 23,	19,126,000	7,695,000
1835. June 4,	18,460,000	6,150,000
1836. June 28,	17,899,000	7,362,000
Sept. 21,	18,147,000	5,719,000
1837. Feb. 28,	18,165,000	4,077,000

1838 and 1839.—Two deficient harvests. Price of wheat 81*s*. 6*d*. for the second week of January, 1839. Large importations of corn, and consequent drain of bullion. The bank seek to check the drain by contracting its circulation and raising the rate of discount to 5½ per cent, but without effect, acts upon the ex-

* Including *deposits*, the total of their liabilities to pay gold on demand, exceeded the amount of gold in hand by 30 millions.

changes by the creation of accommodation bills to the amount of 2,500,000*l.*, drawn upon the bankers of Paris; for which purpose it pledges securities with the house of Baring.

1840—2 & 3 Vict., c. 37, exempts all bills of exchange and loans above £10 on personal securities, from the operation of the usury laws. Loans on the security of real property still limited to 5 per cent.

Bank Returns.

	Circulation.	Bullion.
1838. April 3,	£18,987,000	£10,126,000
1839. April 2,	18,371,000	7,073,000
Nov. 12,	17,235,000	2,545,000
1840. Jan. 7,	16,366,000	3,464,000

1844—Renewal of the bank charter. The 7 & 8 Vict., c. 32, divides the bank into two departments, an issue department and a banking department; and limits the amount of bank paper that may be issued upon other securities than gold to 14 millions. It also limits the issue of country banks, whether upon gold or any other security, to the average of the twelve weeks, ending April 27; about £8,000,000.

1845.—The 8th & 9th Vict., c. 37, limits the circulation of Irish banks, and the 8th & 9th Vict., c. 38, limits the circulation of Scotch banks to their then issues. Bank of England notes not to be a legal tender in Scotland.

The three last measures were passed in fair weather times, when in consequence of the improvement of trade the demand for *real* money was diminishing, and business was again transacted through the medium of the *money of account*—gold again a drug, and those who held notes representing it finding a difficulty in placing them at 2½ per cent. The operation of the principle involved in this important distinction between the money of account and real money not having been understood, it was not perceived by the legislature that the mere crippling of banking resources would do literally nothing towards restraining a spirit of commercial enterprise within due limits, but would most fearfully aggravate the evils of its recoil. Let it, however, here be observed that this crippling of banking resources is not a necessary consequence of the mere separation of departments. *That* principle of the bank charter we must admit to be a sound one. When we see the failures of men in the position of governors and directors of the Bank of England of every day occurrence, we ought surely to pause before intrusting the issue of *state paper money* (meaning thereby notes made a legal tender) to the absolute discretion of any private parties connected with trade. The only defect of the *issue department* is that of the mint, which coins nothing as a legal tender but gold. Give to the *issue department*, in cases of temporary need, the same power of enlarging the circulation, upon other securities than gold, which the bank itself formerly enjoyed, and let that power, subject to proper control, be exercised not capriciously at a moment of panic, but systematically and wisely before the panic arrives, and although insolvents could not be upheld, we should hear no more of the *monetary crisis*, in which men of property find themselves on the brink of bankruptcy, and discharged workmen crowding our streets, from a sudden interruption of unexecuted orders, against the misfortune of which no foresight could guard. What hinders? Nothing but the principle of immediate and exclusive gold convertibility, to which such a policy would of course be opposed. Blinded to consequences by this theory, and defying the lessons of all time, we go on regulating our currency in the infatuated spirit of the gaming table—staking all we possess upon the hazard of a single throw.

1844 and 1845.—Improving prices and expanding confidence in 1844. Gold again becomes a drug. Bullion, in two departments of the bank, Sept. 21, 1844,

15,158,964*l.* Bank rate of discount, 2½. Speculations in cotton from deficient crops; and speculations in railway shares from the success of the London and Birmingham Company. The following year speculations in railway shares become a mania, by which this country and the whole of Europe is infected. Bullion, June 14, 1845, 16,618,920*l.* The recoil of speculation in the autumn produces an increased demand for money, and a rapid fall of all railway securities. Bullion, Dec. 20, 1845, 13,378,343*l.* This first panic confined to the railway interest. Cold and heavy rains in autumn prevent the ripening of the potatoe root, and the crop proves unsound.

1846.—The corn-laws repealed. Railway shares partially recover, and fall. Rally till harvest, and again fall. Bullion, August 29, 16,366,068*l.* Dearth of corn in France. A nearly total failure of the potatoe plant in Ireland from the combined effects of unripe seed and an unusually dry season. A labor-rate act passed for the employment of the Irish during the winter. Large importations of corn, and beginning of a drain of gold.

1847.—March 1.—The chancellor of the exchequer contracts with Messrs. Baring and Rothschild an Irish loan of £8,000,000, at the rate of £3 7*s.* per cent. The relief measures of the English and French governments produce an exaggerated demand for corn, and raise the price of produce throughout Europe. The drain of gold increases about the period of the April dividends. £7,000,000 of gold withdrawn in less than six months. The banking department compelled to refuse discounts, or to make advances upon government stocks, or even silver bullion. Money suddenly becomes excessively dear. Panic, and universal mercantile depression. Gazette averages of wheat for the week ending May 29, 102*s.* 5*d.*; for the week ending Sept. 18, 49*s.* 6*d.* This rapid fall, and the simultaneous anxiety of holders of corn, holders of cotton, and holders of railway shares to realize, and the directors of new railways to complete their lines by making heavy calls, produce an unexampled demand for money. The foreign exchanges improve; but private bankers, in alarm, increasing their cash reserves, the drain of gold continues. To provide for the October dividends, the bank is again compelled to refuse loans and discounts, and this time more peremptorily than before. Private bankers imitating their example, a total collapse ensues of all commercial credit depending upon the negotiability of bills of exchange. Forced sales, in consequence, of consols, and every description of security; and a series of failures unequalled in amount at any similar crisis recorded in British history.

Oct. 25.—A letter from lord John Russell and sir Charles Wood to the governor and deputy-governor of the bank, virtually suspending the provisions of the bank charter act, and recommending an enlargement of its circulation at a rate of discount not less than eight per cent. The bank acting upon this, the severity of the crisis abates; private bankers release their surplus reserves, while at the same time, from the continuing distrust of English bills, bullion flows in from abroad with unusual rapidity.

Nov. 23.—The first session of a new parliament opened by royal commission. The house extends the time for making railways; appoints a committee to consider and report upon the state of the currency, and adjourns for the holidays. Bank rate of discount reduced from 8 to 7, and from 7 to 6 per cent., during the month.

Dec. 23.—The minimum rate of discount at the bank reduced to five per cent. All commercial and manufacturing operations continuing limited up to this date, and railway works almost entirely suspended.

*•• Bullion in the two departments Dec. 4, £11,032,599, of which amount £4,783,065 could not be withdrawn by the banking department under the provisions of the bank charter act.

	Liabilities in deposits and seven days' bills.	Cash reserve.
1844. Sept. 21	£14,778,345	£9,540,804
1845. June 14	17,552,981	10,551,420
1846. Aug. 29	17,189,760	9,939,938
1847. April 17	13,925,799	3,087,056
“ Oct. 23	14,301,916	1,994,516
“ Dec. 4	17,126,533	6,249,534

In closing this curious, and we trust it will be found useful historical digest of the contents of some hundred volumes, there are three things which may, perhaps, especially attract our notice, while they leave upon the

mind an impression of wonder. First, the fact that the principle of exclusive convertibility into *gold*, which, from the self-complacent dogmatism with which it has been supported, the public has been led to imagine was as old as the hills, is discovered to be an entirely new experiment, of which every trial has been attended with disaster, and of which the British nation has never yet had the continuous experience of four-and-twenty years! Second, that although the *inconvertible* paper of the bank bought back the gold which enabled it to resume cash payments in 1821, when the rate of discount was limited by law to £5 per cent., it should in these days have been considered necessary by government, and at a moment of excessive depreciation in the value of all commodities relatively to money, to raise the *minimum* rate of discount to 8 per cent. to secure a return of bullion. Third, that a body of legislators approving of such ruinous rates as a temporary expedient, and impressed with a belief that railway calls are nearly the sole cause of our present embarrassments, should meet and dissolve without even one thought of the expediency of repealing that last portion of the usury laws which still prohibits railway companies, and the owners generally of lands and houses borrowing money upon the security of *real property* at a rate of interest exceeding 5 per cent.

We conclude by calling upon the members of the new currency committee to consider the order in which their inquiry should be conducted in reference especially to those interests of the country which are at the present moment placed in the most immediate jeopardy.

Assuming the fact—about which there has been no controversy—that the engagements of the existing body of railway share-holders are beyond their means, we would suggest the importance of proceeding at once to the question of—whether the nation itself is in a similar position? If there be no evidence of any deficiency of capital nationally, but on the contrary, the most conclusive proofs of a more than average abundance of food, and all the materials of labor, we would then urge upon the committee the duty of devising some plan, with or without a departure from the principle of convertibility, by which the national capital may be rendered available for setting the railway laborer again to work, and staying that waste and destruction of property now going forward, for which we must all pay in the end.

This—their first and most serious obligation discharged, we would recommend to their consideration the following propositions; a concise summary of the whole of the preceding argument.

First—*That a given quantity of any one commodity, such as gold, or any two commodities, such as gold and silver, or gold and paper, subject to a variable demand, is a delusive criterion of value; one which in all ages has operated unequally and mischievously in the adjustment of contracts, and led, more than any other cause that can be named, to the proverbial vicissitudes of trade.*

Second—*That the only true standard of value is that which is obtained by a comparison of general averages; and that the issues of all notes, or coins, allowed to be circulated as a legal tender, should be regulated by such a standard and such a standard alone.**

* The value of money, *per se*, and the value of capital generally, would then accurately correspond, instead of continually varying, as under the present system. For example, suppose it to be agreed that the average return of capital is in this country fairly represented by a dividend of £3 upon £96 of consols. If consols rose to £100 and other commodities rose in the same proportion, it would prove that money (not capital) was in excess; and it would in such case be the duty of a national bank to raise the rates of discount upon notes, and to stop all further issues of coin by the mint. If, on the other hand, the prices of commodities generally fell below the average return to capital, and consols were, say at £80, proving an increased demand for money, it would then be the duty of a national bank to lower its rates of interest upon loans and discounts, extending its issues of paper upon unexceptionable securities, and at the same time extending the supply of mint coins.

STATE FINANCES.

MISSISSIPPI BONDS.

Extracts from the Message of Governor Matthews, to the Legislature of Mississippi, under date of January 25, 1848.

My immediate predecessor having in his late message, presented to the legislature most of the subjects which will likely occupy your deliberations, I deem it unnecessary to reiterate them. I shall, therefore, confine myself, in this communication, to subjects not embraced in his message, and to one of great importance, upon which I am compelled, reluctantly, to dissent from the views by him expressed.

The character of the state is, I conceive, deeply involved in the question, whether the bonds of the state, issued for the purpose of taking stock in the Planters' Bank, shall be paid.

In view of the conflicting opinions existing among our citizens, as to the state's liability on those bonds, and the high character of many, for morality and intelligence, who have argued against that liability, I have long and anxiously reflected upon the subject. I have given it the most patient and candid investigation, of which I was capable, and the result has been the decided conviction, that the state is bound by every consideration of good faith, justice and honor, to pay those bonds.

The most plausible argument which I have heard, against the obligation of the state to pay these bonds, is founded on the facts, that in the charter of the Bank of Mississippi, there was a provision prohibiting the creation of any other bank during its chartered existence; and that in violation of this contract with the old bank, the legislature chartered the Planters' Bank, thereby violating that clause of the constitution, which provides that "no law shall be passed impairing the obligation of contracts."—Hence they contend that the charter of the Planters' Bank was unconstitutional, and the bonds are, therefore, void.

It is obvious, that those who use this argument, consider it necessary to prove the unconstitutionality of the bonds, in order to destroy their validity, and binding obligation on the state. If it can be shown, that in this, the argument wholly fails, it is presumed they will admit that it avails them nothing. In the examination of this position, it may well be questioned, whether the legislature had any power to insert a provision in the charter of the old State Bank, prohibiting the creation of any other bank during its existence. It is clear, to my mind, that the clause in question, was a palpable violation of that provision in the Bill of Rights, which declares, that "no man or set of men, are entitled to exclusive, separate public emoluments or privileges from the community, but in consideration of public services." The exclusion of all others, from a participation in the privileges granted to a certain class, by the act incorporating the Bank of Mississippi, was, certainly, granting to them exclusive privileges; and, therefore, the advocates of the above position, give to an unconstitutional and void enactment, the power to nullify another and subsequent enactment, granting like privileges to another class of men.

But does it follow, even if we admit that the charter of the Planters' Bank was unconstitutional, that the bonds issued and sold to purchase stock in that bank, were therefore unconstitutional? Is an act granting privileges to a company to transact the business of banking, identical with an act to issue bonds and purchase stock in a bank? Certainly not. If

the state had obtained a loan on her bonds, and then use the money in an unconstitutional manner, would the illegality of the money at all affect the validity of the bonds on which it was obtained, or cancel the obligation to pay them? Such a conclusion, it seems to me, would be anything else than logical

It is also worthy of remark, that before the act supplementary to an act entitled "an act to establish a Planters' Bank," approved December 16th, 1830, was passed, authorising the governor to issue the first five hundred thousand dollars of bonds, the old bank had compromised the difficulty with the Planters' Bank; thereby relinquishing the supposed contract with the state, and assenting to the incorporation of the latter bank. The existence of the Planters' Bank, and the issuance of the bonds, were, therefore, not in violation of any existing contract between the state and the old bank. The argument against the constitutionality of the bonds, founded on this contract, therefore, wholly fails.

In the old constitution no prohibition existed against the issuance of bonds of the state, but by every clear implication, it was authorised. The 9th section of the 6th article of that instrument, declared that no bank should be incorporated by the legislature, without the reservation of the right to the state to subscribe for one-fourth of its capital stock. The union of the state with individuals in the business of banking, being thus sanctioned by the constitution, and placed under legislative action and discretion, the power to raise the money, for the purpose of paying for her stock, by any means not prohibited by the constitution, must necessarily have followed, whether it be by the appropriation of funds already in the treasury, or by a loan for that purpose.

Having shown, as I think, that the bonds were not in violation of the old constitution, we need only refer to the 9th section of the 7th article of the new constitution, to prove that they are not in violation of that instrument, but are expressly recognised, and authorised by it. But even had the bonds been in violation of the old constitution, their recognition by the new, and the positive authority to issue the further sum, subsequent to its adoption, of one million and five hundred thousand dollars, in my judgment, put the question of the state's liability beyond dispute.

These bonds were sold at a premium, by which the state realised a profit of upwards of two hundred thousand dollars, and this sum constituted the basis of the sinking fund. In the collection of this fund, which was set apart by the legislature for the payment of the interest of the bonds, about \$95,000 in auditor's warrants have been received by authority of law. For the last seventeen years our liability has been admitted by numerous acts of the legislature. Our members of congress, with the approbation of their constituents, have frequently repelled with indignation, the insinuation, that Mississippi would repudiate these bonds; and in view of all these facts, a refusal now, on the part of the state to pay them, would, in my judgment, be, not only a violation of our plighted faith, but would consign the character of the state to infamy and indelible disgrace. No patriotic Mississippian, entertaining these views, can hesitate a moment in coming to the conclusion, that the bonds should, and must be paid, and the character of our noble state sustained.

If then, this debt is to be paid, I ask when shall it be done? Our indebtedness on this account is already upwards of \$3,000,000; and the interest every year is adding to this already vast sum, one hundred and twenty thousand dollars. If we delay the payment much longer, all the available resources of the state, without resort to taxation too onerous to be borne, will be insufficient to pay them. Under an exorbitant system of taxation, the

value of property would decline, because of the burdens imposed on it, and thousands of our citizens would leave the state, and the proposition of paying by heavy taxation would thus defeat itself.

It is, therefore, manifest that if we ever intend to pay, the only wise policy which we can adopt is to begin immediately.

The next question is, how shall we pay this heavy liability? Can we do so by heavy taxation, without imposing greater burthens on the people than they will consent to bear? The assessments for 1847 amount to about \$375,000, from which we may expect to collect of net revenue about \$325,000. In a few years we may expect to realise at the present rates of taxation, about 350,000 per annum. The average expenditures of the state, by a rigid economy, may not exceed \$175,000 per annum, leaving a surplus at the end of each year, of \$175,000. If from this estimated surplus, we deduct \$120,000 a year for the interest on the bonds, we shall have only \$55,000 to apply annually to the extinguishment of the principle debt. As upwards of three millions are now due, it will be perceived that if hereafter we meet the accruing interest as it falls due, at this rate of payment, it would take about fifty years to pay off the amount now due! Are we willing that this debt shall remain unextinguished for this long period? Yet this must be the case if we depend on taxation to pay it, unless we greatly increase the taxes; and as has already been suggested, an extreme high rate of taxation by reducing the value of property and diminishing our population, will defeat the end for which it is imposed. What then is to be done?

After long and anxious reflection, my mind has come to the conclusion that there is but one mode by which we can discharge the debt, without involving the consequences which I have supposed must attend high taxation; and so well satisfied am I of the efficiency of the plan, that notwithstanding some of those for whose opinions I entertain the highest respect, have ridiculed it, I with confidence submit it to your superior wisdom and judgment, and solicit for it your serious consideration.

I propose that we immediately bring into market the 400,000 acres of land granted by the general government to the state; and that we shall receive in payment for the land, gold, silver, auditor's warrants and bonds of the state issued to take stock in the Planters' Bank, and the coupons for interest on the same. I would grant pre-emptions to actual settlers on the land, at a minimum price fixed by law, the privileges of which should be extended for a given time prior to the lands being offered for sale.

From a personal knowledge of a portion of these lands, I recommend that the minimum for the first year shall not be less than eight or ten dollars per acre. Doubtless a large portion of the bonds are in the hands of capitalists, and who have bought them at a great depreciation, could afford to dispose of them to purchasers of the lands at rates by which he could make profitable investments, even at ten dollars per acre. Many tracts which I have seen, I consider cheap at that price.

If it be objected, that a high minimum would exclude the pre-emptor and men of moderate fortune from the purchase of lands because of the difficulty in procuring the bonds, I reply, that, wherever the land office is located, there the bonds will naturally flow, and our citizens will have no difficulty in procuring them at moderate prices, provided the minimum established be high. A large amount of the bonds is not yet due, and it is very probable that many, for the sake of realising cash upon them now, would sell them for moderate prices.

I would recommend the graduation policy to be adopted, and that each year the minimum be reduced one dollar per acre, with pre-emptions allow-

ed for a given period, after the commencement of each year. Should the minimum be found too high, future legislation can reduce them. In this way, the 500,000 acres of land would probably extinguish the bonds, and in a few years we should be free from this alarming foreign debt.

FINANCES OF MISSISSIPPI—1846 AND 1847.

The finances of Mississippi, during the past two years, have not materially improved. The treasury has recovered from its embarrassments, all authorised demands upon it have been paid, and there was a surplus at the close of the last fiscal year. The annexed statement exhibits a summary of the receipts and expenditures in each of the past two years.

Taxes for 1845, received in 1846.....	\$ 351,278 72
Taxes for 1846, received in 1847.....	328,407 16—679,685 88
Disbursed in 1846.....	380,437 97
do. 1847.....	233,521 73—613,959 70
Excess of receipts over disbursements.....	\$ 65,726 18

Exclusive of fifty thousand and twenty-nine dollars and twenty-one cents, received from miscellaneous sources in money, and eighteen thousand dollars in Planters' Bank bonds.

The assessments of 1847, but little of which has yet been paid into the treasury, amount to three hundred and sixty-five thousand dollars. It is estimated that about three hundred and thirty thousand dollars will be realised from the assessment. The expenditures for the present year are estimated at two hundred and ten thousand dollars. The receipts will, therefore, exceed the expenditures one hundred and twenty thousand dollars; which, added to the surplus now in the treasury, will swell the balance to two hundred and fifty-seven thousand dollars.

In estimating the indebtedness of the state, the bonds of the Planters' Bank have been included. The debt now stands as follows:—

Public Debt of Mississippi.

Bonds issued in March, 1833.....	\$ 1,500,000	
Six per cent. interest from March, 1839, to January, 1848....	795,000	
Bonds issued in July, 1831.....	500,000	
Six per cent. interest from July, 1839, to January, 1848....	255,000	\$ 3,050,000

Subject to a deduction of twenty-four thousand three hundred and forty-one dollars, in bonds and coupons, paid into the treasury by the state commissioner, or now remaining in his hands, for an account of which reference is made to the report of that officer.

The Mississippi Bonds.

A call was recently made on the members of the Mississippi legislature opposed to the repudiation of the state bonds sold on account of the Planters' Bank, to meet in the hall of the house of representatives, without distinction of party, on the evening of the 20th ult. The members present resolved by an overwhelming majority to make immediate provision, by some plan of a financial character, for the payment of the bonds and the redemption of the state faith. Nineteen senators and seventy representatives voted in favor of the resolution, and only one senator and four representatives against it.

MASSACHUSETTS.

Statement of Receipts and Expenditures for the last three years.

<i>Receipts.</i>	1845.	1846.	1847.
Auction tax.....	49,295	52,584	45,287
Bank tax, one per cent.....	304,720	312,000	314,701
Attorney for Suffolk Co.....	9,448	2,036	2,754
Alien passengers.....	6,920	11,526	21,670
Hawkers and pedlers' licenses.....		4,263	4,493
Lands in Maine.....	2,567	848	1,791
Real property sold.....			32,042
Western rail road dividends.....	60,000	50,000	71,764
State tax.....	70,718	66,606	
Miscellaneous.....	1,880	4,828	8,514
<i>Ordinary Revenue</i>	505,548	502,025	500,332
Temporary loans.....	206,800	54,000	150,000
School fund.....	439,459	288,332	261,563
Cash on hand, January previous.....	10,677	5,032	8,658
Total revenue.....	\$ 1,162,484	\$ 852,055	\$ 923,228
<i>Expenditures.</i>	1845.	1846.	1847.
Legislature, 111 days.....	58,753	66,744	71,466
Salaries.....	64,766	70,004	65,831
County treasurers.....	51,203	40,530	55,068
Paupers, lunatics, &c.....	76,831	80,617	62,680
Newspapers and advertising.....			4,974
State printing.....	9,569	13,708	12,571
Bounty to militia.....	28,757	28,756	23,937
Lunatic hospital.....			3,200
State reform school.....			31,484
Asylum for blind.....	12,987	15,356	7,500
Asylum for Insane.....			7,337
Eye and ear infirmary.....	2,000	2,000	7,000
Councillors.....	3,055	2,984	3,171
Interests.....	59,336	54,643	54,084
Nine agricultural societies.....	5,965	3,440	6,631
Adjutant and Quarter Master General.....	3,280	2,000	3,000
Fuel and repairs to state house.....	8,635	8,178	9,076
Normal school.....	7,965	5,165	2,000
Miscellaneous.....	23,340	27,000	47,725
<i>Ordinary Expenditures</i>	416,443	421,125	478,756
Western R. R. S. 441 shares taken at par..			44,100
Temporary loans	255,000	90,800	130,000
School and other funds.....	344,776	249,501	229,485
Charles river bridge, &c.....			2,675
Cash on hand.....	5,032	8,658	3,460
School fund on hand.....	94,683	38,830	34,752
State stock redeemed.....	46,550	43,140	
Total.....	\$ 1,162,484	\$ 852,055	\$ 923,228

MISCELLANEOUS.

LONDON ART-UNION JOURNAL.—Alluding to this most elegant work, the London correspondent of the *National Intelligencer* says,

"Does the 'Art-Union Journal' reach your city? If it does, let its monthly numbers recreate your eyes, feed your imagination, and (may I add) inform your taste. It ought to be imported largely into the U. S. There is no journal which Europe produces more worthy your attention, or which would furnish so many elevating and truly valuable suggestions to almost every portion of your citizens."

The January No. of this beautiful series is for sale by J. P. Ridner, Broadway, N. Y., and by J. S. Waters, Baltimore.

NEW BOOKS.—Among the recent publications that deserve the notice of our readers, we mention the following:

The American Almanac for 1848 containing much valuable matter relating to the trade, finances, &c. of the U. S. price \$1.

The British Almanac and Companion for 1848, published by the London "Society for the Diffusion of Useful Knowledge." This volume comprises 360 pages, containing valuable tables, &c. relating to decimal coinage; railways; electric telegraph; health of towns; fluctuation of the funds; baths for the poor; abstract of important acts of parliament; public improvements of London for 1847; annual chronicle of events; necrological table; state register for England, Scotland, Ireland and the Colonies—price \$1 25.

The Banking Almanac and Directory for 1848. London, pp. 142, octavo, price \$1 50.

De Bow's Commercial Review of the South and West.—Published monthly at New Orleans.—The January and February Nos. of this work contain valuable contributions relating to the production of sugar, the post system, science of history, public lands acquired by treaty, agriculture, manufactures of the south and west, American vines and wines, productions of Florida, northern Louisiana and Arkansas; and various other topics.

CRIME IN FRANCE.—The following is a curious and interesting summary of crime and punishment in France during the year 1847. There have been 67 sentences of death; of which 43 were for assassination, 13 for murder, 4 for patricide, 3 for infanticide, and 4 various. The courts martial established in France and Algeria do not, by the following results, show a very complete system of military subordination. There occurred, during the year, 102 sentences of death, of which 82 were for having struck superior officers, 12 for assassination, and 8 for desertion. There were in 1847 no less than 7,400 accidental deaths; of which 3,000 were occasioned by drowning, 600 by accidents in carriages, 400 by the falling in of ground, 200 by ardent spirits, 80 by lightning, 14 by railway accidents, &c.

Suicides were very numerous; more than 3,000; of whom at least two-thirds were men, as is always the case in France! The great number of suicides were caused by strangulation asphyxia, very few by poison. It has been observed that May, June, and July, are the months when the greatest number of suicides take place.—*Cor. National Intelligencer.*

ENGLISH AND AMERICAN CITIES.—He who could rid London of its black canopy of smoke, by contriving any cheap mode of causing fires to consume their own smoke, would be really a great benefactor to his species.

But the great, the distressing difference between London and your cities, is the multitude of miserable and craving objects of charity which almost every where surround you in the former place. Such melancholy tones, such beseeching looks, such countenances, so deeply inscribed with hunger, cold and misery, press upon every step, that all personal comfort is destroyed. Here it is not as it is with you, that the ragged and distressed form the exception to the general rule; but the comfortable looking, the decent, and the well-dressed are the few; the wretched, the suffering, and half-naked are the many.—*London Correspondent of National Intelligencer.*

THE VICKSBURG BANK.—The following from the Vicksburg (Miss.) Whig of January 13, 1848, is the decision in the case of the Vicksburg Bank:

In the High Court of Errors and Appeals.—Alex. H. Arthur, vs. Thos. E. Robins, W. S. Bodley, and W. C. Walker, assignees of the Com. and Rail Road Bank of Vicksburg. This great cause was decided by the court yesterday in favor of the appellant, Arthur.

In Feb. 1840, the directory of the banks which was incorporated with a capital of \$4,000,000, made two deeds of assignment, conveying all its property and effects of every description, to three trustees or assignees, for the alleged purposes of enabling it to avoid a forfeiture of its charter by completing the rail road within the time prescribed in the charter, and of placing all its creditors on an equal footing. The profits to arise from the road after its completion were also assigned, and this, as expressed in the deeds was contemplated as the principal source for the payment of the debts of the bank; all which was intended to be effected by preventing the execution of judgments that might be recovered against the bank till its affairs should be wound up. In 1841, Alex. H. Arthur, being the holder of a considerable amount of notes of the bank, submitted the deeds of assignment to the examination of his counsel, William G. Thompson, Esq., of this city, and upon his counsel and advise that the assignment could be broken and set aside, he had suit instituted to recover his claim. Judgment was obtained in Warren Circuit Court, levied on the property of the bank, the execution of which was enjoined and the cause went into the Supreme Court of Chancery, where it was argued on demurrer, by Geo. S. Yerger, Esq., and S. S. Prentiss, Esq., on the part of the assignees, and by Wm. Thompson, Sr., and W. G. Thompson, Esqs., for the other side—the demurrer raising the single question of the legal validity of the assignment, looking to the face of the deeds alone.

The chancellor gave his decision in 1844, sustaining the assignment, from which decision an appeal was taken to the High Court, by which the chancellor's decree is reversed, and it is decided that the assignment is illegal and void upon the face of the deeds themselves. We learn that this decision is based upon one of the points presented and argued fully before the chancellor in 1843, by W. G. Thompson, Esq., who argued the cause as leading counsel in reply to Mr. Arthur, in the High Court—viz. that the assignment was an attempt to appropriate the property and effects to the ultimate benefit of the bank, postponing creditors without limit. The effect of this decision is to displace the assignees, and throw the whole business of the bank, back into the hands of the president, directors, and company, as it stood before the assignment.

BANK ITEMS.

IMPORTATION OF SPECIE INTO GREAT BRITAIN.—Among the recent arrivals of specie which we had occasion to record, from various parts of the world, have been some from the East Indies, and from the opposite quarters of the globe, both in North and South America. One has since taken place from New South Wales by the Thomas Arbuthnot, arrived from Sydney, consisting of four cases, consigned to one house in the metropolis. It is customary for packages of specie imported into the out packet ports, to be sent on arrival, to the Bank of England, due notice of their removal being furnished to the bank authorities by the officer of the revenue at the port of arrival, and also the customs authorities in London; on which occasions attendance is given at the bank by an officer of the department, deputed for the purpose of making the necessary examination, on the part of the revenue, of the packages, which have not previously been opened, and are understood to contain the private and valuable property only, and no customable articles, and also making an official record of the same having been done.

In a recent instance of the arrival of some specie at Southampton from the United States of America, and forwarded to the Bank of England, the packages were delivered to the owners previous to any intimation being received that they were to be retained for examination in the presence of an officer of customs, which intimation occurred simultaneously with the attendance of the officer for that purpose on the following day; and in order to prevent the recurrence of similar occurrences, the authorities at the custom house have had under consideration a mode of proceeding in future cases of the kind, and it has been arranged that the officers of the revenue at the outports shall, on the arrival and landing of specie from foreign countries to be forwarded to the Bank of England, attach a card to each package (removed under official seals) signed and also sealed by them, on which they are to inscribe the words, "For examination by the officers of customs in London," the usual advice being at the same time forwarded to the custom house authorities in London, in order that an officer may be despatched to the bank to release the packages from the custody of the crown. An official notification of this arrangement has been given to the authorities at the bank, and instructions forwarded to the officers of the revenue at all the packet ports to the same effect.—*London Times*, Jan. 28.

TENNESSEE.—A bill has passed authorising the Bank of Tennessee to issue notes under the denomination of five dollars.

The free banking bill and a bill restoring to the Bank of Tennessee the branches at Athens, Columbia and Clarksville, and creating a new branch at Memphis, were lost.

Within a few days, the money of this institution has been selling here at 2 per cent. discount. We can see no good cause for this depreciation; the bank redeems its notes on demand.

It has been suggested to us, that though understood by all men of business, yet our remarks a short time since about the condition of the Bank of Tennessee might produce some apprehension in the minds of note-holders as it regards their safety. Nothing would be more erroneous than such an apprehension. The *note-holders of this institution are secured against all possibility of loss.*—*Louisville Journal*.

BANK OF THE UNITED STATES.—At a meeting of the stockholders of the United States Bank in February, 1848, the subjoined resolutions were adopted:

Resolved, That the directors be requested to procure from the assignees of the three trusts a statement, as much in detail as is proper and practicable, of the remaining assets which passed by the said several assignments, and report the same to the adjourned meeting—the object of the stockholders being to obtain all practicable information to guide them in estimating the value of their stock.

Resolved, That the president and directors be directed to give public notice, as required by the constitution and laws of Pennsylvania, of an application to the legislature for such amendments to the charter as will relieve the bank of all further liability for the bonus and subscriptions to stocks or other liabilities imposed by the charter.

Notes on the Money Market.

New York, February 25, 1848.

Since the publication of our February No. favorable advices have been received from Mexico, and there is now a preliminary treaty before the Senate, providing a cession of new territory to this country, &c. Whatever may be the final result of this treaty, which is understood to have been agreed upon by the commissioner on the part of the United States and the commissioners appointed by the Mexican Congress, there has been already a rise in the price of nearly every stock in this market, accompanied by a much better feeling among the money circles than we have witnessed for a long time past. Treasury notes, which were a month since at a shade below par, have now advanced to 2 @ 2½ premium.

The new loan bill has passed the house of representatives, and is under the consideration of the senate. By this new act, providing for an issue of sixteen millions, the secretary of the treasury is instructed to specify in his advertisements, when the loan or portions of it will be required. This will enable capitalists to subscribe understandingly, and enable them to go into the market with a knowledge of the periods when the money will be actually payable.

There is one decided and uniform opinion among our monied men, respecting the public loans to be negotiated. This opinion is, that with a prospect of war for any long period, the treasury cannot negotiate the requisite loans at par; but with assurances of peace, capitalists will promptly contribute at a high premium towards the facilities of the government. Such indeed, are the strong desires for peace among the merchants, manufacturers and capitalists, that the treaty price for obtaining it is of little moment. They think it would be better to pay even thirty millions for the acquired territory, than that the country should be held any longer either in a state of war or suspense.

Among the new and pleasing features of the month, we may enumerate a radical change in public sentiment in Mississippi, and a high-toned sentiment in the message of the new governor, respecting the disputed bonds of that state. This unexpected light from that quarter will be hailed with great satisfaction throughout the country, and especially by Americans abroad.

We furnish our readers with a synopsis (from the New York Herald) of the new bank bill, now before the legislature of New York. The report of the committee upon the subject is also before our readers, and it is to be hoped that a system will be adopted, which shall not only provide a remedy against failures among banks, but give some stability and permanency to the banking policy of the state. We have too many banks, and the capital of one-third of them is too small as a basis of operations. A paid up capital of \$200,000 in addition to stock securities for circulation, is as little a sum as any bank should be allowed to commence with—a minimum of \$300,000 would be conducive to public good.

FOREIGN EXCHANGES.

	N. Y. Jan'y. 27.	N. Y. Feb. 25.	N. O. Feb. 16.
London, 60 days.....	109 @ 110	110 @ 110½	107 @ 108
Paris, "	526½ @ 525	525 @ 522½	540 @ 532½
Amsterdam.....	40½	40½ @ 40½	
Hamburg.....	35½ @ 35½	35½ @ 35½	
Bremen.....	78 @ 78½	77 @ 77½	

THE
BANKERS' MAGAZINE,
AND
State Financial Register.

VOL. II.

APRIL, 1848.

NO. X.

STATE FINANCES.

NEW YORK.

Report to the Legislature of the State of New York, February 21, 1848.

The joint committee of the senate and assembly, appointed in pursuance of the act entitled "an act relating to the examination of the treasurer's accounts, and the canal and banking departments," passed May 25, 1841, report:

That in pursuance of said act, they have made examination as far as they considered their duty required, and have passed through all the accounts and vouchers of the several departments on both the debit and credit sides.

In their report, the committee deem it within their province to make such suggestions in relation to an economical administration of the affairs of the departments, involving the financial interests of the people, as their investigation of the accounts and expenses of government has impressed upon their minds.

In the first place, they would state that committees have heretofore commenced their examinations on the first of October, and have examined only for the fiscal year ending with the thirtieth of September, and have devoted from three to four months to their duty, and completed their labors and made their report between the first of January and first of February. This they were able to do, for the reason that they could act during the vacation of the legislature, and had the accounts only of the *fiscal year of twelve months* to examine. But the present committee were not appointed until the middle of November, after about one-half the time usually spent in the examination had expired; and they had also the additional duty imposed upon them of passing through the accounts for *fifteen months*, instead of the *fiscal year* only, in order to bring the examination down to the change of state officers; that is, to the first of January, eighteen hundred and forty-eight.

Besides this, the vast increase of revenue of the year, added to the ac-

counts over a million and a half of dollars, which increased greatly the labor of the committee; and they found that if the usual proportionate extent of time should be taken to make the examination, from four and a half to five months would be required, which would carry the report of the committee beyond the present session of the legislature.

In view of these considerations, the committee resolved upon taxing themselves with two sessions a day, and close application to enable them to get their report before the legislature some reasonable time before the close of its session.

The committee were sensible that an examination of some strictness was required in order to make it of any practical use. A mere formal examination is more of an apology for peculation and fraud than a detection of it; for the experienced skillful accountants, officers and clerks of our departments will readily see whether they have or have not anything to fear from a committee's investigation.

The committee take pride in saying, that they have been exceedingly gratified in finding the financial affairs of the state, involving the receipts and disbursements of nearly *six million* dollars, so far as matters of accounting are concerned, are conducted with all the nicety and accuracy of the private affairs of the most experienced and well disciplined counting house. Little are the body of the people aware of the vast amount of business and responsibility which rest upon those officers and clerks who conduct and supervise this vast machinery. Whilst it is possible for men by collusion to defraud the people and defy detection, in most business affairs, the checks and counter checks which practically operate in our various state departments, are perhaps as safe a barrier against abuse as any that can be devised. Still, the strictest vigilance is required on the part of each department, and this is kept up by practical balances of receipts and expenditures of the several departments. The clerical* business of the several departments is arduous and complicated, and the interests of the state are greatly involved in the faithful discharge of it.

It is impossible for the heads of the departments to have that intimate familiarity with the detail management essential to protection against frauds which may be attempted by the thousands doing business with the departments; but much, very much, must rest upon the faithfulness of the clerks who have the labor upon their hands. Whilst the state officers plan the work, the clerks are the practical operatives upon whom all depend for a successful operation of the machinery; and whilst all due honor and praise are to be given to the calculating heads of the departments, the faithful laborers of a humbler sphere must not be overlooked.

Treasury Department.

The committee have examined all the warrants issued by the comptroller upon the treasury, and the receipts for money drawn, and have examined the various laws by the authority of which such warrants were drawn, and have found them all legal and correct, except some trifling omissions unworthy of notice in a report.

All warrants issued are required to be based upon and to refer to some statutory law authorising them, and are to be signed by the comptroller, numbered and entered in the comptroller's office, and are filed and entered in the office of the treasurer. The check which is given for the amount to be drawn, specifies the amount and number corresponding with the war-

* *Clerical* is frequently and erroneously used for *clerkly*, by writers who should know better.—*Editor B. M.*

rant. It is entered and countersigned by the comptroller, and delivered to the person entitled to receive the money upon his signing a receipt therefor, and an abstract of such check is kept by the treasurer.

Whenever money is received by the treasurer from any source, a receipt is given therefor, which is entered and countersigned by the comptroller. These checks and counterbalancing entries, unless there is collusion between the two offices, operate as effectual safeguards against fraud and abuse.

After investigating the accounts of this department, we find the result to be as follows, showing the amounts received into and paid out from the treasury, for both the fiscal year ending with the 30th September, and the months of October, November and December, 1847.

On hand September 30, 1846,	\$ 261,111 23
Received for the year to Sept. 30, 1847,	5,552,243 97

\$ 5,813,355 20
5,275,164 09

Disbursements to September 30, 1847,

Leaving a balance of \$ 538,191 11 towards the expenditures of the year ending September 30, 1848.

The receipts for the quarter ending January 1, 1848, were \$ 1,958,734, at which period the available cash on hand was \$ 792,026 36, deposited in the two following banks.

Commercial Bank, Albany,	\$ 552,514 42
Manhattan Co., New York,	239,511 94—\$ 792,026 36

The Banking Departments.

The committee went through a careful examination of all the securities of the several banks in the free banking department, and the bills of incidental expenses of the incorporated bank department.

They found the amounts and kinds of the securities and the issues of the several free banks to be as stated. They also found the detail of business affairs in systematic order, and supervised and conducted with watchfulness and industrious application.

Very much responsibility rests upon the chief clerk in charge of this important branch of state affairs, as he must of necessity be the one mostly relied upon for its detail management, and upon whom the head of the department must rely with confidence to a great extent for the healthy condition in which the department is kept, and for business and statistical information upon which to base his calculations, in the exercise of his official duties in relation thereto.

Whilst examining the various securities deposited with the comptroller, the attention of the committee was called to this policy of banking, and it seems to them as a safe and true policy, providing a proper limitation is put upon the amount of issues to be allowed upon the various kinds of securities in deposit, dependent upon a safe estimate of the actual value thereof. This system of free banking is certainly in accordance with the principles of equality constituting the basis of our government, and being so, and safe, is a wise one.

It will be seen that there is \$ 1,564,462 41 of securities by bond and mortgage, and it seems to the committee that this kind of security is unsafe, for several reasons; landed property is liable to great fluctuations of value in market, very liable to fancied and speculative estimates, offers too great facilities for banking business, inducing a redundancy of paper circulation, and is not readily converted into money.

With proper checks against over issues, and by requiring deposits of safe

securities, it appears to the committee that this system, with the additional securities required by the constitution, is the best which has yet been established in our state.

For reasons which the committee will not pretend to speculate upon, several of the banks have, in the months of December and January last, returned their notes, to the amount of \$618,646, and have withdrawn stock securities of equal amount. This they had a right to do, subject to the discretionary power of the comptroller to surrender or not surrender the securities, as the safety of bill-holders might require.

It would seem that generally when bills were returned and a surrender of securities requested, the banks have sought to withdraw the seven per cent. stocks, or such as were the most valuable and available in market. But the committee are happy to say, that the department in the exercise of guardianship has been cautious against too free an indulgence of this policy, and has held on to the best securities where the interest or safety of bill-holders in any wise required it.

The Canal Department.

This department, through which vast streams of revenue flow into our treasury and are diverted for expenditure, is identified with the most important financial interests of our state. This is evident when it is seen that through its regulations and under its administration, during the last fiscal year the sum of \$3,637,246 91 was received and expended.

In examining the books and accounts of this department, the committee found them kept in admirable system under regulations well calculated to detect any frauds that might be attempted by any of the thousands of men and officers connected with the business affairs under control of the department. It is complimentary to the clerks of this department to say that great assiduity, watchfulness and business care and competency are made manifest by an investigation of the affairs of the department.

The committee examined the accounts and vouchers of the various officers of the department, and found them all correct, with one exception worthy of note, which the committee will mention.

It seems that in the spring of 1847, Zebulon P. Mason, a superintendent on the Erie canal, agreed with John Stranahan for a job of work preparatory to opening navigation on the canal, by which he, Mason, was to pay for the hands employed by Stranahan fourteen shillings per day each.

A number of hands were employed by Stranahan, and Stranahan kept his own account, presented it to Mason, and Mason paid it without any vouchers from the hands themselves, showing the time they had been severally employed, and without being verified by Stranahan. The bill amounted to \$641 24, and was receipted by Stranahan on the 8th May, 1847. Such a blundering way of doing business opens a door to great abuse and is entirely inexcusable, and no business man would countenance it in private affairs. Vouchers should be required in all instances of expenditures, for they render the acts of officers tangible, and men stand committed thereby in written evidence, which honest men will not seek to avoid, but which dishonest ones may well fear. The account was returned to the department by the superintendent but was sent back again to be verified, and it was verified by the oath of Stranahan on the 22d June, 1847. This was after it had been paid to Stranahan, and a verification at this late hour was but poor evidence; for if the account upon which Stranahan received the money was false, he Stranahan, was as culpable for thus obtaining the money, as he would have been in falsely verifying the bill. Perhaps the committee

should say that they have no affirmative evidence of any thing wrong in the bill itself, or that anything wrong was intended : but they feel to speak as if the superintendent paid out the people's money in a very heedless manner, without such vouchers and verification as vigilance and safety required in the discharge of the trust confided in him ; and if the canal board had refused to audit his account for the same, it might have operated as a safe and salutary precedent, although a severe visitation upon him. What renders the oversight of the superintendent still more inexcusable is the fact that the regulations and directions of the department are very strict and stringent, and are put into the hands of all subordinate officers in printed form, on the check rolls, vouchers, abstracts, &c., and superintendents need but open their eyes upon the papers put into their hands to know their plain duty and what belongs to a safe discharge of it. It is greatly to be hoped that the stringent regulations of the department will be kept up through the future, for it is certain that if, any indulgence is given to oversight, neglect or incompetency of any in charge of any part of this vast machinery, serious consequences, speculation and fraud may be the result.

As matter of information, the committee deem it appropriate to say something of the clerical strength of the departments and of the number of officers connected directly therewith, beside the heads of the departments.

In the Treasury Department there are a deputy and one clerk who are chosen by the treasurer. The deputy has a salary fixed by law, and \$800 per year is allowed for clerk hire.

In the Free Banking Department there are one chief clerk and three subordinate clerks, who are appointed and whose compensation is fixed by the comptroller.

In the Incorporated Bank Department there are two clerks appointed by the comptroller, one of whom is denominated the *confidential* clerk. Their compensation is fixed by the comptroller.

In the rooms of the Comptroller's Office proper, there are a deputy and eight clerks, all appointed or chosen by the comptroller. The deputy has a salary fixed by law, but the compensation of the clerk is determined by the comptroller.

In the office of Secretary of State there are a deputy secretary, a deputy superintendent of common schools and two clerks, all appointed or chosen by the secretary. The two deputies have each a salary fixed by law, and a certain sum is allowed the secretary for clerk hire. In the Canal Department there are one chief clerk, commonly called the clerk of the canal board, and five subordinate clerks.

The chief clerk is appointed by the commissioners of the canal fund and has all the power of the comptroller, or in other words is a deputy comptroller so far as the business of the canal department is concerned. The compensation of the chief clerk is fixed by law. The other clerks are appointed and their salaries fixed by the commissioners of the canal fund. There are thirty-five canal collectors, twenty-two superintendents, five weigh masters, twenty-one inspectors of boats, appointed by the canal board, and the same board also fixes their compensation. There are sixty-one collector's clerks chosen by the collectors, one assistant weigh master chosen by each weigh master, and most of the superintendents have each a clerk, and the compensation of all is fixed by the canal board.

This will show at a glance the number of officers directly connected with our state offices or under their immediate control, and the necessity of stringent legislation, regulations and management, to guard against confusion, abuse and extravagance, and to keep the affairs in easy and healthy condition.

CURRENCY AND CREDIT.

From the London Spectator.

In the following article the writer attributes, correctly we think, the late distress in the English money market to the right causes. The commercial, as well as the physical, world is subject to severe storms, and a prudent merchant or sea captain will not allow himself to be caught *under too much sail*. Superadded to an unusual demand for coin from abroad, to pay for grain, the English capitalists allowed themselves to be unnecessarily alarmed by a few failures among houses that had been rotten for years. Many capitalists who, in ordinary times, would readily lend at 3 to 5 per cent. would not loan upon any terms in October and November, 1847, when commercial credit was in a large measure destroyed. There was actually as much money on hand at that period, but *confidence* was wanting. The same men who refused their capital in October, 1847, at 18 per cent. are now seeking investments at 4 or 5.—*Editor B. M.*

The true principles of a sound currency are seldom controverted; but they are apt to be lost sight of in the eager search for relief from difficulties of a different origin, or in the maze of discussion when counsel is darkened by words without knowledge. The currency of any country having pecuniary transactions with other countries can only be based on the precious metals. Its standard of weight and purity is fixed and applied by law; but the amount of the currency is not matter of authoritative regulation, but regulates itself according to the wants and resources of the country, which sometimes make it scarce, and sometimes allow it to be plenty. In most countries the expedient of substituting a paper currency in part for a currency of the precious metals has been resorted to, as being more convenient and more economical. It is essential to the safety and success of this expedient, that the paper money, which possesses no intrinsic value, should at all times be convertible, at the option of the holder, into the precious metals which it represents. To insure the fulfilment of this salutary condition, it was provided by the bank charter act of 1844, that the issue department of the Bank of England should not be allowed to issue more than fourteen millions of bank notes without an equivalent deposit of gold for any surplus above that amount. It was computed from the result of past experience that the circulation of Bank of England notes (usually amounting to about twenty millions) would under no circumstances fall so low as fourteen millions; which might, therefore, be safely issued without a corresponding deposit of gold. This provision of the bank charter act has not any effect in restricting the currency, and was not framed with such a view. Had the authorised amount been taken at sixteen millions instead of fourteen millions, the circulation would not thereby have been increased by two millions; but the only difference would have been, that of the twenty millions of bank notes usually in circulation two millions more than at present would have been issued on the guarantee of the legislature and without a corresponding deposit of gold. The notes issued on a deposit of gold would, however, have been reduced to exactly the same extent. This last position is not generally attended to; although, when examined, it will not admit of dispute. But an opinion is very prevalent, that when the circulation of the country becomes contracted within its usual limits, and a general scarcity of money exists, the amount of bank notes which the issue department is authorised to issue on the guarantee of the legislature and without a corresponding deposit of gold, should be increased so as to supply the deficiency.

Such an attempt to contravene the natural laws by which the amount of the currency is governed, besides failing in its immediate object, would aggravate the evils it was meant to remedy. A contraction of the circula-

tion within its usual limits may proceed from a turn of foreign exchanges against the country, leading to an exportation of gold, as was the case in the early part of this year. It seems obvious, that if at that time the issue of bank notes had been increased, it must have led to an increased exportation of gold, (still keeping down the amount of the currency,) until the coffers of the bank were emptied and a suspension of cash payments took place: whereas the exportation of gold having been left to produce its natural effect on the currency and on prices, the drain was checked by the increased value of money, while no apprehension arose that the bank would be unable to meet its engagements. The present heavy pressure on the money market proceeds from a different cause. It is mainly owing to an universal feeling of mutual distrust among the mercantile community. If the numerous failures which have occurred had served to show that the feeling was groundless, it would gradually have been dispelled. Unhappily, they have, on the contrary, tended to confirm it. Scarcely one failure has happened which (whatever had been the state of the money market) was not inevitable, if the truth of the case had been known. The state of the money market has only brought the truth to light. Under such circumstances the immediate pressure of the money market might, no doubt, be relieved for the moment by an increased issue of bank notes; but the relief would be but temporary, and would prove both fallacious and ruinous, unless the causes in which the pressure had its origin, should cease to operate. If the want of confidence should not be removed, or if the drain on the resources of the country should not be stopped, then the increased issue of bank notes beyond the point of safety would first be frustrated in its immediate object of affording relief, and afterwards be followed by a panic lest the bank should be unable to meet its engagements, whereby a suspension of payments must ensue, or by the actual occurrence of that disastrous result.

The demand for an increased issue of bank notes is precisely analogous to what, with a metallic currency only, the demand would be for a debasement of the coin to meet a similar emergency. Each measure would operate in the same manner and lead to the same consequences. The fallacy of the demand consists in expecting paper money to be something more than a faithful substitute for the precious metal which it represents. The office of a well ordered currency, whether of the precious metals or of representative paper, is not to replace capital which has been dissipated, or to restore confidence when it has been shaken, or inspire it when it is not due: its office is to do no more than furnish that which, at all times and under all circumstances, may prove a trustworthy and convenient medium of exchange for mercantile transactions, both foreign and domestic. This office, under the operation of the bank charter act, our system of currency has faithfully and effectively executed. Throughout the present alarming crisis, bank notes have been as good as gold. They never were so on any similar occasion. The ordeal through which we are now passing has been brought on by schemes of internal improvement, here, as in America, carried far beyond our available resources; by reckless trading with fictitious capital; by heavy losses in trade treated like losses at the gaming-table and repaired by fresh borrowing; by an enhanced price for cotton, and an enormous drain of bullion for food; by prodigal relief to Ireland; by a government loan at an adverse period; by the alarm and distrust which all those concomitant circumstances conspired to produce. To attribute effects of such magnitude to the want of any additional amount of bank notes which would have been issued without an entire disregard of consequences, is a palpable absurdity. It is no less absurd to suppose that the present distress could be removed by the legerdemain trick of setting afloat some two or three millions of "promises to pay," without the wherewithal to keep the promise.

OPERATIONS OF THE MINT.

COINAGE OF 1847.

	Gold.	Silver.	Copper.	No. of Pieces.
Philadelphia.....	13,269,080	990,450	61,837	11,545,278
New Orleans.....	6,085,000	1,384,000		3,659,500
Charlotte, N. C.....	478,820			107,417
Dahlonega, Ga.....	361,485			80,189
Total.....	\$ 20,194,385	\$ 2,374,450	\$ 61,837	15,392,384

The new U. S. coinage has received sad dishonor in a new and most dangerous mode of counterfeiting. It is a piece of silver encased in gold. The work is done so perfectly that neither by the look, the weight, the sound, nor the application of acids, can the fraud be discovered. It can only be ascertained by cutting into the piece in a manner which spoils it for circulation. We have seen a quarter eagle which had been cut into, revealing the cheat fully, but at the mint they were unable even with a microscope to discern the least defect in its appearance. It seems in fact that these pieces must have been stamped in some one of the mints. The quarter eagle contains gold to the value of \$1 25, and silver to the value of 10 cents, so that the profit of knavery is about 115 cents upon each piece. This discovery will throw such discredit on the gold coinage of the United States that the hopes of the politicians who desire that gold should supersede bank notes, will be entirely frustrated. While such suspicion hangs over them they will be good neither for circulation nor hoarding. If the discovery should stop the coinage of British sovereigns into American eagles, it will be well; for this, as we have before stated, is done at a loss of one per cent. besides the expenses. That is, a thousand dollars worth of sovereigns are, after passing through the American mint, worth only \$990. There is this painful matter about this discovery also, that it is impossible to see how these pieces could have been stamped anywhere but in the mint, and it is very easy to see how they could have been stamped there. The men who perform the stamping return back as much gold as they receive. This is the proof of their honesty. But these pieces are as good as pure metal for this purpose.—*Journal of Commerce.*

Letter from the Director of the Mint in relation to the above counterfeit.

MINT OF THE UNITED STATES, }
Philadelphia, Oct. 21, 1847. }

SIR—The counterfeit half-eagle which you have sent to me is a very remarkable and very dangerous imitation of the true coin.

It is a curious coincidence, that while you were examining the counterfeit half-eagle, we had our attention engaged by a quarter-eagle, dated 1843, equally well imitated, and composed in the same manner. This, however, bears the O, which marks it as an imitation of the New Orleans coinage. I send you a part of it enclosed for your examination, but beg that you will return it to me. There are no dies missing of those sent to you from here, as is evidenced by your reports; nor are any missing here; so that the original dies cannot have been used by the counterfeiters. We must suppose either that the counterfeiters have the services of a most skilful engraver, or that they have possessed themselves of a dangerous process, recently discovered in England, for making very perfect dies of cast iron, which are *fac-similes*, of the original medal or coin.

[Signed]

Very respectfully, your faithful servant,
R. M. PATTERSON, Director.

THE LONDON MINT—Completed 1811.



See page 385.

Engraved for the Bankers' Magazine.

THE LONDON MINT.

From Knight's Pictorial London, 1842.

A striking illustration of the magnitude of the transactions of the British empire may be drawn from the recent records of the mint. Between the years 1816 and 1836 the money coined in it amounted in round numbers to a quarter of a million of copper, twelve millions of silver, and considerably above fifty-five millions of gold, making a total of between sixty-seven and sixty-eight millions of money sent into circulation within twenty years. Whilst we are dealing with figures, we may add that the charge for coining this enormous amount of precious metal was nearly four hundred and twenty-one thousand pounds, and the actual cost about two hundred and fourteen thousand pounds, leaving a profit to the company of moneyers not much less in amount. Any one may send bullion to be coined, but for many years the Bank of England alone has been the medium between the foreign importer and the mint. During the lapse of time the sources of our supplies of bullion have been frequently changed. Time was when even England itself added silver to the other inexhaustible stores which it was forever pouring forth from its bosom; Edward I, for instance, received no less than seven hundred and four pounds weight of silver during the year 1296 from Devonshire, and down to the reign of George I, silver money has been coined from the proceeds of the Welsh and other native mines. The principal sources of supply at present, are the mines of Peru and Mexico for both silver and gold; and from the mines comparatively recently discovered in the Russian Ural mountains a large quantity of gold is also received. The bank buys silver at the market price, which fluctuates; gold at *3*l.* 17*s.* 9*d.** per ounce; but it will make no purchase of gold without having first sent specimens for assay to the king's assay-master of the mint. This is the simple history of our uncoined money generally.

But there are some notable exceptions. A few weeks since the newspapers of the day informed us that considerable interest was excited by the arrival in the borough of the first portion of the ransom payable by the Chinese nation to the British government, which amounted to two millions of dollars. It was packed in wooden chests, and filled ten wagons and carts, forming a train of considerable length; and was escorted by a detachment of the 32d regiment. The whole passed over London bridge, and was conveyed to the bank. This money, which weighs upwards of sixty-five tons, was brought from China by her majesty's ship *Conway*. It will, no doubt, ultimately be coined into British money, and we shall be circulating our shillings and six-pences to and fro without the slightest notion of their having once formed a part of the price of Canton—nay, for ought we know, some of them may, in their state of transformation, find their way back again to the celestial empire, to gladden, possibly, for a second time, the eyes of some unconscious Chinese, and be treasured for their novelty in the same cabinet where they had previously been hoarded for their intrinsic value. In 1804 a somewhat similar convoy passed through the streets, which had been taken under no less memorable circumstances.

Political considerations having determined our government to commence war with Spain, a bright notion occurred to it before making a formal declaration of its purposes. Some Spanish vessels with treasure were then expected home; accordingly captain Moore, with four vessels, was despatched to intercept them. He was successful, but did not obtain possession of the prize till the Spanish admiral's vessel had blown up, and some

hundreds of persons had gone to their last account. To the honor of the British people, their indignation was all but universal. A Spanish gentleman was on board one of the ships, who, after twenty-five years' industry and economy in America, had realized a fortune, and was now returning to his native country, contented in its possession, and blessed with a numerous and beautiful family to share it. Before the action commenced, he, with one of his sons, went on board one of the largest ships, the better perhaps to assist in repelling so unexpected an attack; and in a few minutes beheld the one in which he had left his wife and his other children surrounded with flames. This was the admiral's ship already mentioned.

None of the humiliating and painful reflections attached to this case belonged to the one preceding it by some forty years, and which accordingly, seems to have been marked by a very joyous sort of procession.

The day was a remarkable one, being that on which the young sovereign George the third's first son and successor was born. "Just after her majesty was safely in her bed, the wagons with the treasure of the Hermione entered St. James' street; on which his majesty and the nobility went to the windows over the palace gate to see them, and joined their acclamations on two such joyful occasions; from whence the procession proceeded to the Tower in the following order, viz.—A company of light horse, attended with kettle-drums, French horns, trumpets, and hautboys. A covered wagon, decorated with an English jack, and a Spanish flag underneath, hanging behind the wagon. Two more covered wagons. Seven wagons uncovered. And, lastly, a covered wagon, decorated with an English jack and a Spanish flag. In the whole twenty wagons. The procession was concluded with an officer on horseback, carrying an English ensign, attended by another holding a drawn cutlass. The escort to each wagon consisted of four marines with their bayonets fixed. The whole cavalcade was saluted by the people with acclamations of joy. On opening some of the chests at the bank, they were greatly surprised to find a bag full of gold instead of silver in one of them; several having since been found of the same kind." The treasure weighed sixty-five tons, and was valued at nearly a million sterling. In the last incident of this kind we shall mention, which occurred just a century before, the money was obtained without violence of any kind from its owners, yet not the less disgraceful was its possession. It was the purchase-money of Dunkirk, acquired by Cromwell, and so much valued by the English people, that just before the sale was concluded the merchants of London offered through the lord mayor any sum of money to Charles rather than it should be lost. The offer, however, was declined. We have already, in our account of the tower, noticed Charles' visit there to see the wealth he had so dearly purchased. Pepys had a hope of getting some portion of the treasure to pay off the naval arrears, but the king knew better how to dispose of it than on such merely national purposes.

These passages refer to one of the extraordinary modes of supplying the mint with bullion. Another proposed method, which has engaged a great deal of attention, is of a very interesting, though, unfortunately for its projectors, not of a very practical character. The name of Raymond Lully, the alchemist, is well known. He was the chief of those who, in the middle ages, helped to spread abroad through Europe a belief in the possibility of transmuting the baser metals into gold. He appears to have been a simple-minded, enthusiastic man, who in this matter probably imposed upon himself by his discoveries in the then wonderful science of chemistry.

His chief object, to which he adhered with the most exemplary fortitude through all kinds of difficulties and dangers, was the conversion of the

Mohammedans; and when he came to England, during the reign of Edward I, it was to engage that monarch in some new holy war. Edward had, however, plenty of business on hand with the Scotch and Welsh patriots; but the temptation held out by Lully was irresistible, being no less than that of filling his treasury on the cheapest possible terms. The alchemist set to work in "the chamber of St. Katherine" in the tower; and Ashmole says, "gold is affirmed, by an unwritten verity, to have been made . . . and, besides the tradition, the inscription is some proof, for upon the reverse is a cross fleury, with *lioneux*, inscribed, "*Jesus autem transiens per medium illorum ibat*," that is, as Jesus passed invisible and in the most secret manner by the midst of the Pharisees, so that gold was made by invisible and secret art amidst the ignorant." Ashmole here refers to an inscription first seen on the gold noble of Edward III, and continued on various coins down to the period of Elizabeth. Much speculation has been excited by it, but to little purpose. The reader may wonder why the work did not proceed, since the great secret was discovered. It appears that, after a time, Edward refused to keep his promise, and Lully, on his part, declined any longer making the king rich.

He was, in consequence, confined in one of the tower dungeons. Such is the story; and it does not seem very difficult to extract from it the essential truth, that alchemy was yet to be ranked amongst the undiscovered secrets of science. Not such was the conclusion of the government.

One of the most curious parts of the history of the mint is the continual faith our sovereigns have had in being able to supply it with cheap gold and silver.

The patent roll of the third year of Edward III's reign states that the king had been given to understand that John le Rous and Master William de Dalby could make silver by art of alkemony; that they had heretofore made it, and still did make it; and that by such making of that metal they could greatly profit the realm. He, therefore, commanded Thomas Carey to find them out, and to bring them before the king, with all the instruments, &c., belonging to the said art. If they would come willingly, they were to be brought safely and honorably; but if not, they were to be seized and brought before the king, wherever they might be. All sheriffs, &c., were commanded to assist the said Thomas Carey. Either rumor had a little enhanced the skill of "John le Rous and Master William de Dalby," or they had themselves assumed too readily their "blushing honors," for no alchemic money poured into the mint, in consequence of the mandate. In the reign of Henry VI, the tempting cup of wealth seemed again brought to the royal lips. In that monarch's twenty-second year John Cobbe presented a petition to the king, stating that he was desirous of operating upon certain materials by art philosophical, viz. to transubstantiate the inferior metals, by the said art, into perfect gold and silver, so as to endure every trial; but that certain persons had suspected this to be done by art unlawful, and therefore had power to hinder and disturb him in giving proof of it.

The king, in answer, granted a special license of protection, and, hoping at least to find among a multitude of alchemists the treasure he desired, soon after bestowed a similar mark of his grace on several other persons. Growing more and more impatient for some tangible result, in his thirty-fifth year he appointed a commission to inquire into the truth of the art, the professors of it having promised him wealth enough to pay all his debts in gold and silver, to the great advantage of the kingdom. The members consisted of Augustine and preaching friars, the queen's physician, the master of St. Laurence Pontigny College, an alderman of London, a fishmonger,

two grocers, and a mercer—certainly one of the oddest mixtures of persons for a tribunal of judgment on a scientific question we ever remember to have read of. The result must have been, we should suppose, partially favorable, for two years later we find the king again granting a license for the pursuit.

The people's faith in alchemy, during all this period, seems to have been no less earnest than that of their sovereign, but it was a faith of a very different nature. They appear to have believed that gold and silver might be made, but only by the assistance of the evil one. An alchemist was a wiser, subtler and infinitely more mischievous sort of witch, one who would soar above the vulgar desire of sticking pins into people, and preventing butter from being churned, in order to play at ducks and drakes with the national money. Many and many a time, no doubt, has the rustic (and perhaps even higher than he,) when he has heard some of the marvellous tales of the alchemists and the mint, blessed himself as the thought crossed him that his little hoard might be of money made in the mysterious way, and gone to look at it once more to be sure that it had not disappeared. We have already seen that John Cobbe was obliged to petition the king for a license, on the ground of having been disturbed by persons who suspected him to practise by art unlawful; another evidence of a similar kind, and in connexion with a new instance of the royal hankering after this "new way to pay old debts," occurs in the Leet book of the corporation of Coventry, under the date of the 6th of January, in the seventeenth year of the reign of Henry's conqueror and successor, Edward IV. "The mayor received a privy signet by the hands of a servant of the king, the tenor whereof after ensueth: 'By the king. Trusty and well-beloved, we greet you well, and let you wite (know) that it hath been showed unto us that our well-beloved John French, our servant, com'inyng [query, coming in] and commonly abiding in our city there, intendeth by his labor to practise a true and a profitable conclusion in the cunning of transmutation of metals, to our profit and pleasure; and for to make a clear showing of the same before certain our council and servants by us therefore appointed, is required a certain time to prepare his materials: we, not willing therefore, our said servant to be troubled in that he shall so work or prepare for our pleasure and profit, will and charge you that ye ne suffer him in any wise by person or persons to be letted, troubled, or vexed of his said labor and practice, to the intent that he at his good liberty may show unto us, and such as be by us therefore appointed, the clear effect of his said conclusion. Given under our signet, at our palace of Westminster, the 29th day of December.'"

The excessive courteousness of tone perceptible in this epistle will not escape observation. From this time, if the art of alchemy still continued for a time to find believers, the sovereigns of England appear to have grown too wise by experience to rank themselves publicly among the number. The establishment of the mint in London must date from the remotest periods of the known history of the latter. There can be no doubt some of the Roman emperors coined money here, and specimens bearing the name of London in an abbreviated form still exist. In the Saxon period, also, we know not only that London had a mint, but that it was the chief one in the kingdom. There were eight moneyers (as chief officers were called, to whom the coining of money was intrusted in early times) in London in the reign of Athelstan, and six at Winchester, the next place in rank. The mint in the tower is as old as the erection; and it has been worked in every reign from the conquest to the present time, with one or two unimportant exceptions.

Till the present century the mint remained in the tower. But about 1806 the government, finding the military department had greatly encroached upon the buildings originally used for coining, intrusted to Sir Robert Smirke the erection of a new edifice upon Tower Hill. It was completed about 1811, at an expense of above a quarter of a million of money.

This immense sum, however, included Boulton's expensive machinery, which, by successive improvements, has been brought to such a surprising degree of perfection, as, in conjunction with the other admirable arrangements of the establishment, places a power at the disposal of the moneyers that will enable them, if required, to receive fifty thousand pounds worth of gold one morning in bullion, and return it the next, in coin. It is amusing to contrast this rapidity with the state of things existing when every piece was struck by hand, or when the entire process of coining could be carried on in a single room, as we see it in the engraving at the end of this paper, which evidently agrees in its essentials with the old English methods. In the present interesting process of coining, the ingots are first melted in pots, when the alloy of copper, is added (to gold, one part in twelve; to silver, eighteen pennyweights to a pound weight) and the mixed metal cast into small bars. And now begin the operations of the stupendous machinery, which is unequalled in the mint of any other country, and is in every way a triumph of mechanical skill. The bars, in a heated state, are first passed through the breaking down rollers, which, by their tremendous crushing power, reduce them to only one-third their former thickness, and increase them proportionally in their length. They are now passed through the cold rollers, which bring them nearly to the thickness of the coin required, when the last operation of this nature is performed by the draw-bench, a machine peculiar to our mint, and which secures an extraordinary degree of accuracy and uniformity in the surface of the metal, and leaves it of the exact thickness desired.

The cutting-out machines now begin their work. There are twelve of these engines in the elegant room set apart for them, all mounted on the same basement, and forming a circular range. Here the bars or strips are cut into pieces of the proper shape and weight for the coining press, and then taken to the sizing-room to be separately weighed, as well as sounded on a circular piece of iron, to detect any flaws. The protecting rim is next raised in the marking-room, and the pieces after blanching and annealing are ready for stamping. The coining room is a magnificent looking place, with its columns and its great iron beams, and the presses ranging along the solid stone basement. There are eight presses, each of them making, when required, sixty or seventy (or even more) strokes a minute; and as at each stroke a blank is made a perfect coin—that is to say, stamped on both sides, and milled at the edge—each press will coin between four and five thousand pieces in the hour, or the whole eight, between thirty and forty thousand. And to accomplish these mighty results the attention of one little boy alone is required, who stands in a sunken place before the press, supplying it with blanks. The bullion is now money, and ready for the trial of the pix, which, at the mint, is a kind of tribunal of judgment between the actual coiners and the owners, as the greater trial known by the same name in the court of exchequer is to test the quality of the money as between the master of the mint and the people. This trial generally takes place on the appointment of a new master before the members of the privy counsel and a certain number of the goldsmiths' company; from the latter a jury of twelve persons is sworn. The lord high chancellor, or, in his absence, the chancellor of the exchequer presides. Ruding was present at the trial of the pix in 1799, when, after a variety of minute experiments,

it was found that a certain quantity of gold which should have weighed 190 pounds, 9 ounces, 9 pennyweights, and 15 grains, did weigh just 1 pennyweight and 15 grains less: a closeness of approximation sufficient, no doubt, to satisfy the nicest tribunal.

THE LONDON CORN EXCHANGE.

From Knight's Pictorial Account of London.

On the arrival of a cargo of corn or grain in the river Thames it is subject to a variety of regulations which are but little known out of the trade. Whether it be from our own ports or from a foreign country, a number of dues are collected by the city authorities, under the several heads of water-bailiage, groundage, lord mayor's and cocket dues. The city claims by prescription the right of measuring corn, as well as several other articles which enter the port of London, and the crew are not permitted to undertake this duty, but it is performed by the sworn corn-meters and the fellowship porters. In 1833 the total charge upon the public for metage of corn was £23,626, out of which the city derived a net profit of £5,819. The number of corn-meters is one hundred and fifty. They are appointed by a committee of the corporation of London, called the coal and corn committee, and attend daily at their office in Tower street and Brook's wharf, to be at all times ready for whoever requires their services.

The senior meters have the choice of work, and the junior is obliged to undertake whatever is offered, though he may sometimes be a loser by the job, as he may be required to measure a small quantity of corn in any part of the river between Staines and Yantlet creek.

The fellowship porters are three thousand in number, and are appointed by the alderman of Billingsgate ward, who is ex-officio governor of the fellowship. They have a prescriptive right to the portage of all corn, fruit, salt, potatoes, &c., coming into the port of London; and the number always at work is about fifteen hundred. The seniors have the choice of work in the same manner as the coal-meters. These two bodies show what the ancient state of industry was in England, when nearly each sort of employment was surrounded by certain privileges and monopolies. A provision is made for the corn-meters when they become old and infirm, and this is done out of the metage charges. All the corn and grain from Kent, most part of that from Essex, and part of that from Suffolk, is brought to London in sacks. Foreign and Irish corn, English oats and barley, and peas and beans, are brought in loose bulk. The quantity brought in each ship, varies from 200 to as many as 2,500 quarters, and even 3,000 quarters. The vessels from Kent and Essex bring 300 to 500 quarters at a time; those from Norfolk and Suffolk, average 500 or 600 quarters; and from Ireland the quantity varies from 700 to 1,100 or 1,200 quarters. The largest cargoes are brought from the Baltic and Odessa. About $37\frac{1}{2}$ bushels of wheat, or 4 quarters $5\frac{1}{2}$ bushels, weigh a ton—about 45 bushels of barley, and 55 or 56 bushels of oats, while beans and peas are rather heavier than wheat. The cargo of a Kentish hoy sometimes belongs to as many as twenty different farmers. When the ship is ready for delivery, the meter, and seven or sometimes eight of the fellowship porters go on board. Two of the latter dip into the bulk with their concave wooden shovels, and the meter completes the filling up of the bushel, when one of the two porters passes the strike over the surface, and a third holds the sack into which the other two

pour the contents of the bushel, which is hoisted up by the three porters on the deck, one of whom bears it over the ship's side. It is shot, into the lighter in loose bulk, and, on arriving at the granary, it is again measured, and carried in sacks to the floor where it is intended to be stored, when it is again shot loose. When sold, the buyer sends sacks for it to the granary, and another measuring takes place. The meter and his attendants are able to measure 600 or 700 quarters of oats a day, and even 800 quarters a day are occasionally measured; but it is a good day's work to measure 450 quarters of barley, or 400 quarters of wheat. When wheat arrives in sacks it is measured at the rate of 70 an hour, containing 35 quarters. To accomplish this, the meter and his seven or eight men are required to be very active. Four men are employed in the hold, and three men and the meter are on deck. Two of the former raise the sack, and at the same instant the other two place the slings under it, and immediately those on deck hoist it up, the contents are poured into the bushel, and the meter passes the strike over the surface. Two of the three men hold the bushel, the third holds the sack, which, as soon as filled, is hoisted over the side of the vessel.

The granaries are lofty and spacious buildings of six or seven floors or stories, those of the largest kind being capable of holding from six to seven thousand quarters of corn on each floor; but the granaries, of course, vary in size, some only being able to contain two or three thousand quarters. They are numerous about Bermondsey and Shad Thames, where the largest are; but there are granaries on each side of the river from Greenwich to Vauxhall. Those in which foreign corn is bonded, are places of greater security, and admit of the regulations of the custom house being strictly followed. The granaries adjacent to the commercial docks are chiefly used for foreign corn, and some, though not any large quantity, is stored in the warehouses at each of the docks. The peculiar restrictions relating to the importation of foreign corn sometimes render it expedient to keep it in the granary for several years, the fluctuating duty ranging so high that, with all the charges upon it, it cannot be liberated at a profit.

Four or five years ago, above 2,000 quarters of wheat were thrown into the river rather than the owners would submit to pay the high duty, or keep it for a longer period subject to granary rent and other charges. In the last four years the duty has sunk to the lowest point, during one week in each year, and this event being foreseen, or perhaps being designedly brought about by the merchants and importers withholding supplies in anticipation of the rise of prices, and the fall of duty, an immense quantity of corn is suddenly taken out of bond the moment the duty sinks. Above two million quarters of wheat were liberated in September and October, 1841, a large proportion of which would be bonded in the port of London. The week in which the duty falls to the lowest point is the harvest of the speculator, to which he has long looked anxiously forward. The arrival of ships from abroad is now an object of the utmost solicitude, as a few hours may make a difference of several thousand pounds to a large importer. The number of corn vessels which do arrive is so great that warehouses, granaries, and the river itself in many places, is completely blocked up; but the large quantity suddenly brought into the market depresses prices, the duty mounts again, and a vessel which arrives on a Friday, instead of a Thursday, not only loses the advantage of the low duty and high prices, but the cargo may have to remain for months in the granary. The expense of granary rent and fire insurance is about 5s. per week on one hundred quarters of wheat. Corn and grain, the produce of our own soil, is kept in the granary as well to improve its condition, as to wait the chance of favorable markets. By being frequently turned and screened it becomes hard and better adapted for

grinding, and though it loses in measure it gains in weight. The expense of turning and screening a hundred quarters is about 2s. per week.

The number of establishments which are engaged in supplying the metropolis with corn and grain, seeds, malt, flour, meat, and bread, is as follows, according to the Post Office Directory for 1842: corn merchants 75; corn and flour factors 138; corn dealers 243; millers 26; bakers 1375; confectioners 285. The number of bakers in Paris is about 600, and the population of London being twice as great, there is about the same proportion of bakers to the inhabitants in each capital; but the proportion of the latter is rather greater in Paris, and the baker there does not enjoy that profitable part of the business which his brethren in London do, namely, that of baking the dinners of thousands of families, but he confines himself to his loaves and "fancy" breads. The bakers of Paris are compelled to have a certain quantity of flour in store at the Grenir de Reserve ou d'Abondance, besides keeping up the stock in their shops to a fixed amount.

This is the commercial policy of an age which has not yet learnt to rely upon the ever-acting agency of self-interest. All such regulations are mischievous, since they are attempts to supersede a principle which operates more advantageously for society than any artificial rules devised by human wisdom. Dr. Whately remarks of this principle, that, "if the time should ever arrive when the structure of human society, and all the phenomena connected with it, shall be as well understood as astronomy and physiology, it will be regarded as exhibiting even more striking instances of divine wisdom;" and he bids us mark the insuperable difficulties which ensue when an attempt is made to set it aside, and the admirable order which results from its being allowed perfect freedom of action in all commercial operations. "Let any one," he says, "propose to himself the problem of supplying with daily provisions of all kinds such a city as our metropolis. Any considerable failure in the supply, even for a single day, might produce the most frightful distress, since the spot on which they are cantoned produces absolutely nothing.

"Some, indeed, of the articles consumed, admit of being reserved in public or private stores for a considerable time; but many, including most articles of animal food, and many of vegetable, are of the most perishable nature. As a deficient supply of these, even for a few days, would occasion great inconvenience, so a redundancy of them would produce a corresponding waste. Moreover, it is essential that the supplies should be distributed among the different quarters, so as to be brought almost to the doors of the inhabitants; at least within such a distance that they may, without an inconvenient waste of time and labor, procure their daily shares. Moreover, whereas the supply of provisions for an army or garrison is comparatively uniform in kind, here the greatest possible variety is required, suitable to the wants of various classes of consumers. Again, this immense population is extremely fluctuating in numbers; and the increase or diminution depends on causes, of which, though some may, others cannot, be distinctly foreseen. Lastly, and above all, the daily supplies of each article must be as nicely adjusted to the stock from which it is drawn—to the scanty, or more or less abundant, harvest, importation, or other source of supply—to the interval which is to elapse before a fresh stock can be furnished, and to the probable abundance of the new supply, that as little distress as possible may be undergone; that, on the one hand, the population may not unnecessarily be put upon short allowance of any article, and that, on the other hand, they may be preserved from the more dreadful risk of famine, which would ensue from their continuing a free consumption when the store was insufficient to hold out."

THE BANKS OF LONDON.

From Charles Knight's *Pictorial Account of London*, 3 vols. 8vo., London, 1842.

The president of the United States, in his message to congress in 1839, pointed to London as "the centre of the credit system;" and, speaking of the increase of banks in the states, he said that "the introduction of a new bank into the most distant of our villages places the business of that village within the influence of the money power in England." The power here alluded to, that of great accumulated wealth, is one of the most remarkable characteristics of England.

It is the offspring of the unrivalled skill, sober and masculine intellect, and untiring industry of the people, aided by free institutions and the rich natural resources of a country placed in an admirable position for intercourse with her neighbors and with the world at large. There is not any circumstance which so much distinguishes a young country like the United States, wonderful as may be its latent resources for future opulence, as the absence of masses of capital, ready at any moment to be moved hither and thither wherever a profit is likely to be realized. The railroads, canals, roads, and most of the great improvements of the states could not have been completed without English capital.

There is, indeed, scarcely an important enterprise in any quarter of the globe which is not in some degree sustained by the "money power" of England. The daily operations connected with her monetary system apply to a debt of 837,000,000*l.*, an annual revenue of 51,000,000*l.*, an annual circulation of bills of exchange amounting to between 500,000,000*l.* and 600,000,000*l.*, an issue of 35,000,000*l.* of bank notes constantly afloat, besides exchequer bills and government securities, and a metallic currency amounting to many millions sterling in gold and in silver. The immense amount of floating capital is put into motion by the operations connected with our vast foreign and domestic trade and internal industry, by the large expenditure of the government, of the landed aristocracy, and of other persons in the enjoyment of private wealth. Here is ample employment both for the Bank of England and for private banks.

The Jews and the Lombards were the earliest money dealers in England.

The former were settled here in the Saxon times, and as early as A. D. 750. In reigns of the first three Norman kings they appear to have lived undisturbed, but from the commencement of Stephen's reign they began to be cruelly persecuted, and about 1290, in the reign of Edward I, they were banished the kingdom. Hume remarks that the Jews being then held infamous on account of their religion, and their industry and frugality having put them into possession of the ready money of the country, the lending of this money at interest, which passed by the invidious name of usury, fell into their hands. It was not until 1546 that the taking of interest was rendered legal—the rate was fixed at 10 per cent. In 1552 the statute was repealed, but was re-enacted in 1571. In 1624 the legal rate of interest was reduced to 8 per cent.; in 1651 to 6 per cent.; in 1714 to 5 per cent. In 1834 the Bank of England paid 2 per cent. on 1,500,000*l.* sterling in its hands belonging to the East India Company.

The Lombards are understood as comprising the merchants from the Italian republics of Genoa, Lucca, Florence, and Venice. Stow, describing the streets in the vicinity of the bank, says, "Then have ye Lombard street, so called of the Longobards and other merchants, strangers of divers

nations, assembling there twice every day." He shows that the street had its present name before the reign of Edward II, that is, in the thirteenth century, and probably much earlier. The Lombards and other foreigners engrossed the most profitable branches of English trade; and it was natural, from their greater wealth, that they should supersede native merchants. They assisted the king with loans of money, and enabled him to anticipate his ordinary revenue.

It is probable that the greatest amount of money dealing during the middle ages was carried on by the royal exchangers. There were laws against exporting English coin; and as the exchanging of the coin of the realm for foreign coin or bullion was held to be an especial royal prerogative, a "flower of the crown," the king's exchanger, was alone entitled to pass the current coins of the realm to merchant strangers for those of their respective countries, and to supply foreign money to those who were going abroad, whether aliens or Englishmen. The house in which this business was transacted was commonly called the exchange. In the reign of king John, the place where the exchange was made in London was, in the street now called the Old 'Change, near St. Paul's. In the reign of Henry VII, the office of royal exchanger fell into disuse, but was re-established in 1627 by Charles I, who asserted in a proclamation on the subject that no person of whatever quality or trade had a right to meddle with the exchange of monies without his special license. He appointed the earl of Holland to the sole office of "changer, exchanger, and outchanger;" and this measure having excited a good deal of dissatisfaction, a pamphlet was published the next year by the king's authority, defending the king's prerogative, which, it was asserted, had been exercised without dispute from the time of Henry I, until the reign of Henry VIII, when, as it was stated, the coin became so debased that no exchange could be made.

This first afforded the London goldsmiths an opportunity of leaving off their trade of "goldsmitherie;" that is, the working and selling of new gold and silver plate, and to turn exchangers of plate and foreign coin for English coin. The proclamation concluded by stating that "for above thirty years past it has been the usual practice of those exchanging goldsmiths to make their servants run every morning from shop to shop to buy up all weighty coins for the mints of Holland and the east countries, whereby the king's mint has stood still."

The manner in which the goldsmiths gradually came to act as bankers has already been fully described. Their business rapidly increased, and their numbers also. In 1667 they were in the most flourishing state, when a run occurred, the first in the history of English banking, to awaken them to one of the dangers of their avocation. This was occasioned by the alarm into which London was thrown by the spirited attack of the Dutch on Sheerness and Chatham. A few years afterwards a much more serious crisis occurred. On the 2d of January, 1672, the king suddenly shut up the exchequer by the advice of the Cabal ministry. This monstrous proceeding, equivalent to an act of national bankruptcy, spread ruin far and wide. Charles had borrowed of the goldsmiths the sum of 1,328,526*l.*, and neither interest nor principal could be obtained. Thus, previously to the establishment of the Bank of England, the goldsmiths were the bankers of London, and laid the foundation of the present metropolitan banking system. Of the oldest private banks in London it is said that Child's, next to Temple Bar, can prove its existence from 1663, and the business has been carried on from that date to the present time on the same premises; the origin of Hoare's bank in Fleet street, is traced to 1680; and that of Snow's, of the Strand, to 1685. The firm of Stone, Martins, and Stones, of Lombard street, claim to be the immediate successors to Sir Thomas Gresham. * * * *

Little or no alteration has been made in the constitution of the bank since it was first incorporated. The government of the bank rests entirely with the governor and deputy governor and twenty-four directors, eight of whom go out every year, and eight others are elected by proprietors holding 500*l.* of bank stock; but, practically, the eight who come in are nominated by the whole court, that is, a "house list" containing the names, being submitted at a general meeting, no opposition is made to their appointment.

There are four general meetings in the course of the year; but beyond these, and the regular communications which take place between the court and the first lord of the treasury and the chancellor of the exchequer, there is no control over their proceedings; and the ministers of the crown have no legal authority to enforce any alteration in the policy of the directors, though their views are, of course, always considered with attention. The governor and a select committee of three directors who have passed the chair sit daily at the bank.

On the Wednesday a court of ten directors sit to consider all London bills sent in for discount. On another day there is a full meeting of the directors, when all London notes of more than 2000*l.* come under review, and a statement is read of the exact position of the bank.

The "bank parlor" is an expression commonly used in reference to the decisions of the bank directors.

The total allowance of the directors is about 8000*l.* a year. They are not usually large holders of bank stock.

The qualification for governor is 4000*l.*; deputy governor, 3000*l.*; and director, 2000*l.* In 1837 the governor of the bank appeared in the "*Gazette*" as a bankrupt. Independent of their capital lent to government, now amounting to about 11,000,000*l.*, on which the bank receives interest at 3 per cent., and a sum generally amounting to about 2,000,000*l.*, called the "rest," being undivided profits, the floating capital of the bank on the 13th of August last, consisted of 19,000,000*l.* raised by the circulation of notes, and 9,000,000*l.* of deposits, making together above 28,000,000*l.* One-third of this capital is kept in coin and bullion, according to a principle which the directors have acted upon for several years, and the other two-thirds in exchequer bills, government securities, and bills of exchange, (1842.)

If this proportion is disturbed by the number of bills offered for discount, the bank sells government securities and adds to its stock of bullion. The profits of the bank are derived from the interest on exchequer bills and other government securities, from mercantile bills discounted, the management of the public debt, from its permanent capital, its notes in circulation, and from the use of the deposits, on which it does not allow interest. During the war, the "rest" reached the large sum of 6,000,000*l.* The principal heads of receipt in 1832 were as follows: Interest on commercial bills 130,695*l.*; on exchequer bills, 204,109*l.*; the dead weight annuity 451,515*l.*; interest on capital received from government, 446,502*l.*; allowance for management of the public debt, 251,896*l.*; interest on private loans, 56,941*l.*; on mortgages, 60,684*l.*; making with some other items, a total of 1,689,176*l.* In the same year the expenses, including losses by forgery and sundry items, were 428,674*l.*; the composition for stamp duty was 70,875*l.*; and the sum of 1,164,235*l.* was divided amongst the proprietors.

In the first of the above heads is included the expense for conducting the business of the funded debt, 164,143*l.*; the expense attending the circulation of promissory notes and post bills 106,092*l.*; and the expense of the banking department, of which the proportion for the public accounts may be estimated at 10,000*l.*; making a total of 339,400*l.*

Of course a very large staff of clerks and heads of departments is requir-

ed to manage this enormous establishment. In 1832 there were employed 820 clerks and porters, and 38 printers and engravers and there were also 193 pensioners, chiefly superannuated clerks, who received in pensions 31,243*l.*, averaging 193*l.* each. In the same year the salaries to 940 persons, including 82 at the branches in the country, amounted to 211,903*l.*, averaging 225*l.* each. The house expenses amounted to 39,187*l.*, exclusive of the allowance of 8000*l.* to the directors. During the existence of the bank restriction act a still larger number of clerks was required, and their number is said at one time to have been 1100. A very strong corps of volunteers was formed entirely of officers and clerks of the bank.

In 1822 when the abolition of small notes took place, the bank gave liberal pensions or an equivalent payment in ready money to those clerks whose services were no longer required.

The name of Abraham Newland will here probably occur to many readers. He was appointed a clerk in the bank in 1748, was made chief cashier in 1782, and resigned his office in 1807, having accumulated a fortune of £130,000 as a servant of the bank during nearly 60 years. For 25 years he never slept beyond its walls. The bank clerks are admitted between the ages of 17 and 25, on the nomination of a director. At the age of 17 the salary is £50, increasing £10 every year until the clerk is 21, and after that age the increase is £5 yearly till he is 25, and then is extended to £8 annually until it attains the maximum of £260. The promotion is by seniority, except as respects some of the principal situations. The number of clerks in private banks varies from forty or fifty to about a hundred.

Before 1759 the bank issued notes for no lower sum than 20*l.*, but in that year it commenced issuing notes for 15*l.* and 10*l.*; in 1794 notes for 5*l.*; and in 1797 its whole economy was changed by the restriction of cash payments, and the issue of 1*l.* and 2*l.* notes. In 1815 it had 27,500,000*l.* in circulation in notes. In August, 1842, the total amount of its circulation was 19,000,000*l.* Its notes are a legal tender, except at the bank and its branches, where they are convertible to gold on demand. The bank never re-issues the same notes, even if they are returned on its hands the day they are sent out. The machinery for printing and numbering notes is very ingenious. "The apparatus consists of a series of brass discs of which the rim is divided by channels into projecting compartments, each containing a figure. The numbers 1 to 9 having been printed in the course of the revolution of the first disc, and this disc having returned to figure 1, the second disc comes into play, and presents an 0, and the two together, therefore, print 10. The first disc now remains stationary, until, in the course of the revolution of the second disc, the numbers 1 to 19 have been printed, when it presents the figure 2, and does not again move until another revolution of the second disc completes the numbers 20 to 29. Thus the two discs proceed until 99 notes have been numbered, when the third disc comes into operation, and with the two first produces 100, consequently the first disc performs one hundred revolutions to ten of the second, and one of the third." In 1820 an act was passed authorising the directors to impress by machinery the signatures to the notes, instead of being subscribed by hand.

The first forgery of a bank note occurred in 1758, when the person who forged it was convicted and executed. In 1781 it was decided that the bank was not liable for the payment of forged notes. A more easily fabricated instrument was never issued, and detection only ensued when the note reached a certain department of the bank, where its spuriousness was detected from certain private marks. The consequence was that forgery, which was a comparatively rare crime before 1797, became a very common offence; and

every year public feeling was outraged by the execution of numerous victims to the facility with which the wretchedly engraved notes of the bank were imitated. In 1820 there were 101 persons convicted of forgery, and 272 for having forged notes in their possession. In 1818 the number of persons executed for forgery was 24.

Two remarkable cases of forgery by which the bank was a loser to a large amount occurred in 1803 and 1824. In the former year Mr. Aslett, one of the chief cashiers, by re-issuing exchequer bills, defrauded the bank to the amount of 320,000*l.* The other case was that of Mr. Fauntleroy, the acting partner of a bank in Berners street, who, in order to keep up the credit of the house, forged powers of attorney, by which he sold out of the funds large sums of money belonging to different persons, continuing to pay the dividends upon them until his detection. A statement was found at the banking house, in Fauntleroy's hand-writing, acknowledging his crime. It was dated May, 1816, and a postscript was added to the following effect: "The bank began first to refuse to discount our acceptances, and to destroy the credit of our house: the bank shall smart for it." The total loss to the bank from Fauntleroy's forgeries amounted to 360,000*l.*

We cannot afford much space for an account of the extensive pile of buildings in which the business of the bank is carried on. Sir John Soane, the late architect to the bank, fixed the fair amount of rent which he thought should be paid for the bank at 35,000*l.*, and 5,000*l.* for fixtures, &c., making a total rental of 40,000*l.* The business was conducted for many years at Grocers' Hall, in the Poultry. On the 3d of August, 1732, the governors and directors laid the first stone of their new building in Thread-needle street, on the site of the house and garden formerly belonging to sir John Houblon, the first governor of the bank: it was from the design of Mr. George Sampson, and was opened for the business on the 5th of June, 1734. At first the bank buildings comprised only the centre of the principal or south front, the hall, bullion, court and court-yard. The east and west wings were added by sir Robert Taylor, between the years 1766 and 1786; and the remainder of the structure was completed by sir John Soane, who was appointed the bank architect in 1788. He rebuilt many of those parts constructed by Sampson and Taylor, and the whole of the edifice as it now stands may be said to be from his designs. It now covers an irregular space of four acres, comprising the greater part of the parish of St. Christopher.

The exterior walls of the south side measures 365 feet; the length of the west side is 440 feet; of the north side 410 feet; and of the east side 245 feet. This area comprises nine open courts—the rotunda, committee-rooms, apartments for officers and servants, and the rooms appropriated to business. The principal suite of rooms is on the ground-floor, and, having no apartments over them, the light is admitted from above by lantern lights and domes. The number of rooms beneath this floor and below the surface of the ground is greater than of those above ground. Here are the vaults in which the bank treasure is deposited. The material used throughout the greater part of the edifice is stone, and every means have been taken to render it indestructible by fire. Any person may walk into the rotunda and most of the principal apartments.

Speaking of the pay hall, where bank notes are issued and exchanged for cash, Baron Dupin, in his "*Commercial Power of Great Britain*," says, "The administration of a French bureau, with all its inaccessibilities, would be startled at the view of this hall." It is 79 feet long by 40 wide, and forms a part of the original building by Sampson. A statue of king William, who is called "the founder of the bank," was placed here when the business was transferred from Grocers' Hall.

Amongst the principal apartments of the bank is the three per cent. consol office, 90 feet long by 50 wide, designed from models of the Roman baths, and constructed without timber. The dividend and bank stock offices are designed in a similar style. The chief cashier's office, simply decorated and lighted by large and lofty windows, is 45 feet by 30.

The court room is a handsome apartment of the composite order from sir Robert Taylor's design. It is lighted on the south side by venetian windows, looking out upon a pleasant area planted with trees and shrubs, which was formerly the churchyard of St. Christopher's.

The private bankers of London are the successors of the "new fashioned bankers," who, about the middle of the seventeenth century, added the trade of money-lending to that of goldsmiths. An alteration in the state of the law relating to promissory notes, in 1705, was very favorable to the increase of private banks; but it was not until after the middle of the century that they became distinguished for their great wealth and immense business. The number of private banks in London fifty years ago was 56, of which only 24 are now in existence. The number is at present 74, including 7 colonial and 8 joint stock banks, (1842.)

Lombard street still maintains its ancient fame as the great centre of the dealers in money. Although eight private banks have been discontinued in this street within the last thirty years, there are 13 still remaining besides notaries and stock-brokers. Of the remaining 46 banks there are 13 west of Temple Bar, 4 in Smithfield, 1 in Shoreditch, and the rest are chiefly within a stone's throw of the royal exchange. The late duchess of St. Albans was, and the present countess of Jersey is, a partner in a banking house. A recent publication, which contains some lively remarks on the subject of banking, as well as discussions on its scientific principles, gives the following sketch of a banker of the old school: "He bore little resemblance to his modern successor; he was a man of serious manners, plain apparel, the steadiest conduct, and a rigid observer of formalities. As you looked in his face you could read, in intelligible characters, that the ruling maxim of his life, the one to which he turned all his thoughts, and by which he shaped all his actions, was, that he who would be trusted with the money of other men, should look as if he deserved the trust, and be an ostensible pattern to society of probity, exactness, frugality and decorum. He lived—if not the whole of the year, at least the greater part of the year, at his banking-house; was punctual to the hours of business, and always to be found at his desk. The fashionable society at the west end of the town, and the amusements of high life, he never dreamed of enjoying."

There are few persons of wealth or who are engaged in trade who do not find the advantage and convenience of having an account at a banker's. Ordinarily one-tenth, or even so little as one-twentieth, of the capital belonging to the firm or to its customers is sufficient for current demands. The remainder is invested in securities which are readily convertible, and in discounting mercantile bills.

The London bankers are also the agents of the country banks. The annual profits of the two most prosperous private banks in London are estimated at 90,000*l.* each. Coutts' bank and Glyn's, the former in the Strand, the latter in Lombard street, are very fair representations of a class, the bank of the wealthy aristocracy and that of the commercial world. "Coutts'" says the author of "banks and banking," "resembles not a few of the greatest establishments this country has produced, in having sprung from a small beginning, and owed its fortune to the sagacity and perseverance of an humble individual, who was remarkable at the outset of his career for strict economy. It is principally a bank of deposit, and can hardly

be said to have a commercial character. The number of its discount accounts is small, and perhaps there is not a house in London in which fewer bills are cashed during the year. The only branch of general banking business in which it at all enters into competition with the principal firms in the city, is the agency to country banks. Coutts' have always done the town business of some of the best Scotch banks.

Everywhere in England, and particularly in London, all great things go in tides. Coutts' has for years been the bank of the monied portion of the nobility—of persons who are seldom without having sums of 10,000*l.*, and even 100,000*l.*, lying to their credit. Early in the reign of George III different members of the royal family, and many of the landed aristocracy of England and Scotland, began to bank at Coutts', and they have since increased to a multitude. Enormous balances are thus accumulated, and the safest and most profitable description of business in which a banker can be engaged is steadily transacted by the firm."

On the other hand, "Glyn's is a complete contrast to Coutts': here, in addition to a large portion of the accounts of the nobility and landed gentry, is the greatest number of commercial accounts, in London; and here scenes of bustle and animation take place daily of which it is not easy to convey an adequate idea. About three o'clock all is life, activity and vigor; the place is a fair, and more like a great change than the royal exchange itself used to be.

"Though the bank is spacious, and the counters are packed with clerks as close as they can stand together, you may sometimes have to wait twenty minutes before your turn to be served arrives. Two mighty streams of money are constantly ebbing and flowing across the counters; and half a million is said to be no uncommon sum for the firm to settle at the clearing-house of an afternoon."

We shall conclude this paper with a short notice of the clearing establishment above alluded to, which was set on foot by the private bankers in 1770. The present clearing-house is situated in the corner of a court at the back of the Guardian Insurance office, in Lombard street. The business was previously conducted in an apartment at the banking-house of Messrs. Smith, Payne & Smiths, and still earlier at the banking-house of Messrs. Barnetts & Co., all in Lombard street. The object of the clearing-house is to save time and money.

Perhaps there are not more than half a dozen persons in London, unconnected with banking, who have entered the precincts of this celebrated establishment; but an authentic detail of its arrangements has recently been published by Mr. Tate, author of the "Modern Cambist," to which we must refer those who desire something more than a general idea of the system. The clearing house is fitted up with desks for each of the present twenty-seven clearing bankers, whose names, taking the first of each firm, are arranged in alphabetical order as follows, over each desk:

Barclay,	Dorrien,	Masterman,	Stevenson,
Barnard,	Fuller,	Prescott,	Stone,
Barnetts,	Glyn,	Price,	Veres,
Bosanquet,	Hanbury,	Robarts,	Weston,
Brown,	Hankey,	Rogers,	Williams,
Curries,	Jones,	Smith,	Willis.
Denison,	Lubbock,	Spooner.	

Mr. Tate says, "the rapidity with which the last charges are required to be entered, and the bustle which is created by their swift distribution through the room, are difficult to be conceived. It is, then, on the point of striking four, and on days of heavy business, that the beauty of the alphabetical ar-

rangement of the clearers' desk is to be seen. All the distributors are moving the same way round the room, with no further interference than may arise from the more active pressing upon or outstripping the slower of their fellow-assistants. With equal celerity are their last credits entered by the clearers. A minute or two having passed, all the noise has ceased.

The cheques and bills of exchange, on the authority of which a great part of the money paid and received by bankers is made, are taken from each of the clearing bankers to the clearing house several times in the day, and the cheques and bills drawn on one banker are cancelled by those which he holds on others. The joint stock banks are excluded from this association of private bankers. Some of the private bankers, from the nature of their business, do not require the aid which these clearances afford, and others are too distant to maintain the necessary rapidity of communication with the clearing house.

The deputy clearers have left with the last charges on their houses; the clearers are silently occupied in casting up the amounts of the accounts in their books, balancing them, and entering the differences in their balance sheets, until at length announcements begin to be heard of the probable amounts to be received or paid, as a preparation for the final settlement. The four o'clock balances having been entered in the balance sheet, each clearer goes round to check and mark off his accounts with the rest, with 'I charge you,' or 'I credit you,' according as each balance is in his favor or against him." In 1810, when forty-six banks settled with each other at the clearing house, the accounts cancelled in one day have sometimes, it is said, amounted to 15,000*l*.

In the appendix to the second report of the select committee of the house of commons on banks, there is a return of the payments made through the clearing house for the year 1839, and, omitting all sums under 100*l*. the total was 954,401,600*l*. The average for each day would consequently be rather more than 3,000,000*l*. sterling (the actual payments range from 1,500,000*l*. to 6,250,000*l*.) while that of the sums actually paid was about 213,000*l*. It has, however, sometimes happened that a single house has had to pay above half a million of money. The payments through the clearing house of three bankers, in 1839, ranged from 100,000,000*l*. to 107,000,000*l*. each.

SUB-TREASURERS (in the olden time.) A little time before the meeting of the long parliament, Charles I. seized £200,000 then in the tower, and in the care of the mint master. This was taken professedly as a loan, of course, not only without the consent, but to the extreme indignation, of the unfortunate owners. No more money after that time found its way into the mint for the sake of security. Then it became customary with merchants and traders to intrust their cash to their clerks and apprentices, a striking evidence, by the way, of the terrible state of insecurity of men's property before the breaking out of the civil war.

When the latter burst like a storm over the whole country, many of these clerks and apprentices took the opportunity of relieving themselves of the dulness of the shop and desk and their masters, at the same time, of the superfluous cash they had placed in their hands: and thus a new and better mode of disposing of accumulated funds became indispensable. At last, about the year 1645, the merchants began to place their funds in the hands of the goldsmiths who now first added the essential feature of a bank to their ordinary operations of buying and selling plate and foreign coins of gold and silver.

CHINESE CURRENCY AND BANKING.

(From the London Bankers' Magazine.)

Chief Currency, Silver Ingots—Manufacture of Base Money—Debasement of the Currency—Chinese Bankers—Exorbitant Rates of Interest—Pawnbrokers.

So little is known in this country of the monetary operations of the Chinese, that we have no doubt the following particulars with which we have been favored will be found both interesting and important. The account is chiefly derived from the published remarks of H. M. Clarke, Esq., of the East India Company's Factory; and, *the Chinese Commercial Guide*. The information afforded we have not met with before; and our growing intercourse with "the celestial nation" may render some of the facts referred to, useful for reference.

The dread of change, which has been generally considered as the leading characteristic feature in the domestic, as well as in the foreign, policy of China, has extended its full influence to the circulating medium of the country. The government is determined that its coffers, at least, shall suffer no defalcation by depreciation of the currency—and hence the imperial taxes and duties are required to be paid in pure silver. In every large town are *yin tien*, or "money-shops;" the inferior class of which are establishments of money-changers and shroffs, the more respectable are private banks. Of the latter class, every officer who has any superintendence of the revenue employs one or more to receive the taxes and duties, with a paid allowance for loss in melting; and having reduced them to sycee silver, to become responsible for the purity thereof. The establishments which are thus connected with government are licensed, a privilege for which they have to pay, but not largely. They are remunerated by the surplus allowance or waste, which always exceeds what is necessary. Taxes are generally handed over to them by the government; mercantile duties are paid into their banks by the merchants from whom they are owing, and the banker in such case gives the merchant a receipt for the amount, accompanied with a certificate that it shall be paid to government within a certain period. The refined silver is cast into ingots, and stamped with the names of the banker and the workmen, the year and district in which it is cast, and, sometimes, the kind of tax for which it was cast to pay. Should any deception be afterwards discovered, at whatsoever distance of time, the refiner is liable to severe punishment.

However wisely this system may have been contrived for the maintenance of the imperial resources, in a commercial point of view it is most burdensome and inconvenient. Since the establishment of foreign trade, the introduction of Spanish dollars has supplied the defect to a certain though very limited extent; and so sensible did the native authorities appear to be of its advantages, that, for a time, the coinage of dollars in imitation thereof was allowed,—nay, even practised under the authority of a provincial treasurer. "But," says the *Yin Lun*, a Chinese treatise on money, "though they commenced at a higher rate than the foreign dollars, in a short process of the time they sunk greatly below the standard, whilst the foreign money preserved its original degree of purity." The manufacture of dollars is now disallowed by the laws; but, according to the common report of the natives, is still carried on in spite of them to a very considerable extent. In the district of Shuntih, south of Canton, there is said to be a very large establishment, in which as many as a hundred workmen are frequently employed. Dollars are there manufactured of all gradations

of value; some alloyed with lead, some made of base metal and coated over with silver, and others deteriorated by cutting out pieces of silver and filling up their places with lead, disguised by repeated stamps; this last method is frequently practised with genuine Spanish dollars. These false coiners are said to possess European stamps, procured at great expense; but some times they attempt imitations, in which the omission or disfiguring of some letters easily betrays the deception to an European eye. So common, however, are their dollars in circulation, that men from this district are most usually selected as shroffs; and there is a book in print for the use of the public, giving an account of the process of manufacturing each variety of false money, and rules for detecting the forgery. These rules are practically known by the shroffs, so that they can tell any description of dollar or degree of alloy at a single glance. When the dollar is made of true value, the imitation is often very good, and detection is indeed difficult; yet the shroffs perceive the imitation and reject it. The profits of the concern in Shuntih are so large, that it can easily afford to quiet all interference on the part of the local officers.

With regard to the *cash*, which is the only native coin now in circulation, the government have, within the last few years, taken strong measures to suppress the private manufacture of it, but in vain. The rapacity of the governors is strongly exemplified also in the gross adulteration of the public coin; that of recent manufacture is many per cent. less in intrinsic value than that of Kanghi about one hundred and fifty years ago, or even that of Kienlung, not more than fifty years since. It is debased in the coarsest manner with iron dust and sand, and presents a gritty appearance to the eye. In China, as in Europe, coins and medals have attracted the attention of antiquarian collectors; and some of them offer subjects of interest to the curious. In the middle ages they were valued as affording specimens of many ancient forms of characters, which in the times of feudal anarchy immediately preceding had been forgotten. Symbolical figures of birds and animals are those with which the medals are generally stamped. Coins are also strung together in different ways, and worn on the person, or suspended over beds, as charms, and sometimes as ornaments. This fancy does not appear peculiar to the Chinese. Many of the ancient coins found in Greece, says Walpole, are pierced, and through the hole a string is passed, by which they are hung as ornaments round the heads of women and young girls. This custom is not new; we find it mentioned by Chrysostom, who particularly refers to the coins of Alexander.

The only coin that is now in general use throughout China is this *cash*, a small piece of base metal, formed from a composition of copper and tutenague. Silver coins have been in use in China at several periods; but none are now issued by the government, or can find general circulation throughout the country. Spanish and South American dollars (though not acknowledged by the government) are, however, employed as a commercial medium in the maritime provinces; but in Canton, the system of stamping them, practised by bankers, shroffs, and merchants, as a pledge of their purity, soon takes from them one of the chief advantages of coined money, that of having a fixed and certain weight.

A few remarks on the banking establishments above referred to will not be irrelevant to the present subject. There are some bankers unconnected with ordinary mercantile business; but the majority are agents, who receive money, drawable at will, in which case no interest is allowed, or take money at an interest not exceeding 12 per cent., in which case some days' notice must be given, before any portion can be withdrawn. They do not appear to differ materially in any particular from similar establish-

ments in Europe ; but they are not chartered or privileged banking companies. Paper money was formerly issued by the government, but is not now known. Promissory notes, however, circulate with the same facility as in Europe. Many of the Canton banks confine their transactions to this and the adjoining province, Kwangse. Some have correspondents in one or two other provinces. A few only have agents in all the provinces. The bank that possesses most credit in Canton is one named *Anshing*, the correspondence of which is principally with Peking and Nanking ; with these places its intercourse is as regular, and perhaps more so than that of the government. There are in some places *banks of loan*, which advance money for short periods, at a daily interest of about $\frac{1}{2}$ per cent., for periods of not less than three days.

On this subject of *interest*, the translator of the Chinese penal code has some correct remarks, in a note to those sections of the Chinese law which come under the head of "usury." The exorbitance of the rate of interest upon which a contract for a pecuniary loan may be lawfully made, is a peculiarity in the Chinese laws which he considers it difficult to account for. It is not, however, to be understood, that the ordinary rate of interest in China ever attains the legal limit. At Canton, for instance, the rate is generally considered to be from 10 to 15 per cent. per annum, rarely exceeding the latter amount ; but upon loans made on pledges, if a small amount, the legal rate is usually charged. "The rate of interest upon a pecuniary loan" (quoting the words of the able translator) "must, generally speaking, be influenced by a twofold consideration. Besides what is considered to be strictly equivalent to the advantage arising from the use of the money, the lender must be supposed, in most cases, to receive likewise a certain compensation for the risk to which he exposes his money. The former consideration will always be limited by, and bear a certain ratio to, the peculiar state and degree of the general prosperity ; but the latter can evidently be determined by no rule or proportion which does not include the consideration of the relative situation and circumstances of the parties interested in the transaction. In England, indeed, where the security of property, and the exclusive rights of individuals are so well understood and so effectually protected by the laws, it may, in general, be almost as easy to guard against risk as to compensate for it ; but in China, where the rights connected with property are comparatively vague and undefined, and, being distinct from the sources of power and influence, are less the law's regard ; where, owing to the subdivision of property, there are few great capitalists ; and where, also, there is but little individual confidence, except between relations, who, holding their patrimony in some degree in common, can scarcely be considered as borrowers or lenders in the eye of the law ; it is not so surprising that it should be deemed expedient to license, in pecuniary transactions, the insertion of stipulations for very high interest."

"In a state of things so unfavorable to the accumulation and transfer of property, there cannot at any time be much floating capital ; and the value of that capital, as far as it is denoted by the interest which it bears, it is natural to expect, will be high in proportion to its scarcity : in other words, where there are many borrowers and few lenders, and where it forms no part of the system of the government to grant to the former any degree of protection or encouragement, it seems a necessary consequence that the latter will both demand and obtain a more than ordinary compensation in return for the use of his property. Trade, therefore, as far as it requires such aid, cannot be so extensively carried on as it is in those countries in which, there being more available capital, that capital is procurable at a cheaper rate, and, accordingly, a smaller return of profit found adequate to the charges of commercial adventurers."

There are numerous pawnbrokers in China. The licensed ones are of three classes. Those which possess large capital, and are licensed to grant loans to any amount, are placed under considerable restrictions; they allow three years to redeem, with a grace of three months. These have to pay largely for their licenses, and are also subject to an annual tax. They must give three years' notice of retiring. Inferior pawnbrokers are licensed to allow only two years to redeem; and others, again, of a still lower description, may sell off the pawned articles after one year; but freemen are not permitted to open such establishments. Unlicensed pawnbrokers are liable to severe punishment. The highest legal rate of interest is three per cent. per month. In the winter months it may not exceed two per cent. on raiment, that so the poor may be enabled more easily to redeem.

LEGAL MISCELLANY.

DECISIONS OF THE TENNESSEE COURTS.

Negotiable Paper.

The fact that the second endorser received half of the proceeds of a discounted note by previous agreement, is a good defence to that extent in law or equity, for the first against the second endorser. *Galbrath vs. Martin & Findley*, 5 Humphreys, 50.

Where the notary made a mistake as to the date of the protest in the notice furnished to the endorser, such mistake may be corrected by proof on trial. *Ross vs. Planters' Bank*, *ibid.* 361.

The fact of the delivery of a notice to an endorser, like other facts, may be inferred by circumstances, and the taking an indemnity after protest, is a circumstance going to sustain such fact, and admissible evidence. *Ibid.*

The statute of limitations of three years, protects an endorser; and the statute of six years only, protects a surety on the face of the note. Debt lies on the last undertaking and not on the first. *McGuire vs. Blanton*, *ibid.* 361.

The payee of a note, who endorses it over, is a competent witness to prove in behalf of the maker, that the note was not assigned in due course of trade. *Bailey & Cochran vs. Cooper*, *ibid.* 400.

A notice to an endorser is good, if delivered in due time at his residence, or at his usual place of doing business. *Phillips vs. Alderson*, *ibid.* 403.

A notice given by the holder of a promissory note to the second endorser too late to fix his responsibility to the holder, will not avail the third endorser, though in due time, if given by him to the second. *Simpson vs. Turney*, *ibid.* 419.

Where an endorsed note put in circulation comes to the hands of the maker for value, it is a discharge of the endorsers; not so, where it was endorsed and returned to the maker for his accommodation and by him put into circulation with his endorsement. *Planters' Bank vs. White*, *ibid.* 441.

It is not necessary to the official validity of a notary's certificate that it appear by its date to be made out on the day of notice given. *Union Bank, vs. Holcomb*, *ibid.* 583.

A guaranty in these words: "I guaranty the payment of the within note at the insolvency of the drawers," is a guaranty of the solvency of the drawers, and binds the holder to use reasonable indulgence in the collection of the money. *Graham vs. Bradley*, *ibid.* 476.

What facts constitute reasonable indulgence is a question of law to be decided by the court. *Ibid.*

Where two months and a half elapsed between the time the note fell due, and the commencement of court, and no suit was instituted at the term, it was held, that due diligence was not used by the holder, and thus the guarantor was discharged. *Ibid.*

DECISIONS IN OHIO.

Bills of Exchange.

A bill drawn by a partner on the firm and accepted by him, to pay his individual debt, cannot be collected from the firm by any one who has notice. *Babcock v. Stone et al.*, 3 McLean, U. S. Circuit Court Reports, p. 172.

But an endorsee without notice may enforce the payment. *Ibid.*

A bill drawn and endorsed in Illinois, payable in New York, derives its character from the law of Illinois. *Bank of Illinois v. Brady*, *ibid.* 268.

The law of the place of payment will regulate the interest; but the liability of the endorser depends upon the law of the place where the endorsement was made. *Ibid.*

The endorsement is a new contract. *Ibid.*

The holder of a bill of exchange, after the demand of the acceptor, and notice to the drawer, is not bound to active diligence. *Barnes v. Ryder*, *ibid.* 374,

No point is better settled than that the holder by giving time to the maker of a promissory note, or bill, for a valuable consideration, discharges the endorser. *Ibid.*

The payment of a part of the judgment against the maker of the note, on which time is given, constitutes no consideration. *Ibid.*

The defendant was bound to pay the judgment. *Ibid.*

An agreement to release the endorser, must be valid, and one on which an action may be maintained. *Ibid.*

A note payable without grace, in three months, or any other specified time, is not due until the time shall expire; excluding the day the note is dated. *Hill v. Norvell & Crary*, *ibid.* 583.

The usage of the banks in the District of Columbia, to make a demand on the fourth day of grace, only applies to notes negotiated by the bank. *Ibid.*

Notes left with the banks for collection are due on the third day of grace under the general commercial usage. *Ibid.*

Banks and Banking.

The act of 1803, incorporating the Miami Exporting Company, does not confer upon it banking powers; and, if the company possess any such powers, they can only be claimed under the act of Feb. 23, 1816. *Miami Exporting Company v. Clark*, 1 Kelly's Reports, vol. 13.

The Miami Exporting Company, as well as the other banks therein named, is prohibited, by the act of 1816, from receiving a greater rate of interest than six per cent. per annum, in advance, on its loans and discounts. *Ibid.*

Where a bank, so prohibited, discounts a bill, charging exchange as a mere shift or device to obtain a greater rate of interest than it is authorized to receive by law, the contract is void, and the bank can neither recover upon the bill, nor upon the common counts for money loaned. *Ibid.*

A warrant given to a bank for the entry of judgment may be used by the trustees authorised by statute to close the affairs of the bank, after its charter has expired. *Martin v. Bank of St. Clairsville*, Kelly's Ohio Reports, vol. 13, p. 250.

The trustees may sue in their collective name, not in their individual names. *Ibid.*

A corporation which has been adjudged forfeited, and placed in the hands of receivers, under the act passed February 18, 1842, cannot prosecute a suit after such dissolution. *Miami Exporting Company v. Gano*, *ibid.* 269.

The corporate name can only be used to prosecute a suit by the receivers appointed under said act, and the suit will be dismissed unless the receivers set forth sufficient to show the character in which they prosecute. *Ibid.*

A writ of error will not lie upon a judgment in favor of a defunct corporation. *Renick v. Bank of West Union*, *ibid.* 298.

A writ directed to a defunct corporation is a nullity. The trustees of such corporation must be brought before the court. *Ibid.*

The Bank of Circleville having done all the law required, previous to the appointment of a commissioner by the governor to examine its vaults, which the governor neglected to do, a person who has done business with it as a bank, and admitted its existence by the receipt of its funds, cannot, in a suit against himself, brought by the receivers of the bank, question the legality of its organization. *Receivers of Bank of Circleville v. Renick et al.*, Kelly's Ohio Reports, vol. 15, p. 322.

The existence of a bank whose paper is alleged to have been counterfeited, may be proved by reputation. *Reed v. The State of Ohio*, *ibid.* 217.

Promissory Notes.

It is no objection to the negotiability of a promissory note that it is made payable in current Ohio bank notes. *Swetland et al. v. Creigh et al.* 15 Kelly's Ohio Reports, 118.

An action may be maintained at law upon negotiable paper, by the owner, which has been lost after it fell due. *Thayer et al. v. King*, *ibid.* 242.

DECISIONS OF THE COURTS OF VIRGINIA.

Banks.

An unchartered bank cannot sustain an action on a bond given for its bank notes. *Wilson v. Spencer*, 1 Randolph, 76.

A bank of another state may maintain an action in the courts of Virginia, against its debtor: but it cannot enforce a primary contract made in Virginia, as by discounting notes or otherwise. *Bank of Marietta v. Pindal*, 2 Randolph, 465.

Under an act of assembly, authorising a bank to hold as much real property as may be requisite for its immediate accommodation, in relation to the convenient transaction of its business, and no more, the bank may purchase more ground than is necessary for the erection of a banking house, and build fire-proof houses on the vacant land, for the greater security of the banking house, and sell them. *The Banks v. Poiteaux*, 3 Randolph, 136.

If the bank by so doing violated its charter, the only proceedings against it should be by quo warranto, and the purchasers of the houses cannot resist a specific performance of their contract by alleging that the bank had exceeded its powers in erecting and selling the houses. *Ibid.*

The laws establishing banks in Virginia, are public laws, and may be noticed by the courts *ex officio*. *Stribbling v. Bank of the Valley*, 5 Randolph, 132.

W. G. having contracted a debt to a bank, by a note payable sixty days after date, discounted by the bank for his accommodation, dies before the note comes to maturity, having on deposit in the bank, at the time of his death, a sum of money exceeding the amount of the note: *Held*, in case W. G.'s estate prove insolvent, the bank has a right in equity to retain the amount of the note out of the money it held on deposit, whether there be debts of W. G. of superior dignity to the debt he owes the bank or not; equity regarding the bank, in such case, as debtor to W. G. only for the excess of his money on deposit above the contents of his note. *Dubitante*, Brooke, J., if it appear that the decedent's estate owed debts of superior dignity. *Ford's Adm'r v. Thornton*, 3 Leigh, 695.

The usage of banks in Virginia in discounting notes is not usurious. *Crump v. Nicholas et al.*, 5 Leigh, 257.

In proceedings against a bank by bill in chancery, it is filed against the president and directors of the Bank of Virginia, instead of the president, directors and company of the Bank of Virginia; and a subpœna, with an injunction endorsed by the clerk, to restrain the president and directors of the bank from, &c., is served on the president. This process so served does not bind the bank, the bank not being a party to the bill in its corporate character, and the president not being an officer of the bank, whose province it is to receive such notice. *Bank of Virginia v. Craig*, 6 Leigh, 399.

Constitutionality of law authorising bank to subscribe for stock of internal improvement company. *Goddin v. Crump, &c.*, 8 Leigh, 121.

On general issue pleaded to action brought by a bank, plaintiffs must prove their incorporation. *Jackson's adm'r v. Bank of Marietta*, 9 Leigh, 240.

When an action is brought under the act of March 19, 1832, entitled "an act authorising suits against the branches of banks in this commonwealth, in certain cases:" the summons and the declaration must both be in the name of the mother bank by its corporate name. *Tompkins v. Branch Bank*, 11 Leigh, 372 and *Mason v. Farmers' Bank*, 12 Leigh, 84.

The banks of this commonwealth in which the public monies were on deposit, paid the interest falling due in January, 1840, upon public loans, in specie or its equivalent, under the proviso to the 2d section of the act of March 28, 1838, they claimed credit in account with the commonwealth for the premium which they had to pay to the public creditors for the then difference between specie and the notes of the banks, under the acts in 2 R. C., ch. 174, § 6, p. 2, and in sess. acts of 1838, p. 27, ch. 14; the claim of any bank for such premium, may properly be presented to the first auditor. On the disallowance of such claim, the bank may file a petition for redress to the court of chancery for Henrico and Richmond, created by act of March 13, 1841, sess. acts of 1840-1, p. 65, ch. 48, and according to the true construction and effect of the act of Dec. 11, 1839, sess. acts of 1839-40, p. 52, ch. 63, (especially of the first proviso thereto,) the claim of any bank for the premium so paid must be disallowed; *dissentiente* Brooke, J. on the last point. *Commonwealth v. Farmers' Bank*, 2 Robinson, 737.

Bank Notes.

The bona fide owner of a bank note, having transmitted one half thereof by mail, which has been stolen therefrom or lost, cannot merely demand payment from the bank of any part of its amount, in consequence of hold-

ing the retained half, but may demand the whole amount of said note, on satisfying the bank of the verity of his statements, or establishing them by a judgment of a court of equity, and in either case, giving a satisfactory indemnity to secure the bank against future loss, from the presentation of the remaining portion of the note. *Bank of Virginia v. Ward*, 6 Munf. 166; *Farmers' Bank v. Reynolds*, 4 Randolph, 186.

But if these requirements are not complied with, and the bank is sued in consequence of refusing payment, the holder will not recover interest or costs, though he may perform them after the suit is brought. *Farmers' Bank v. Reynolds*, 4 Randolph, 186.

On the 19th November, 1824, the plaintiffs in the course of business receive from the defendant, a bank note, which being by them passed off, was returned to them as a counterfeit in March, 1825; they did not inform the defendant or return it to him till May, 1825, the plaintiffs place of business being 110 miles from the defendant's residence, and a mail passing between them regularly once a week; such negligence on the plaintiffs' part precluded from recovering; contra if the note had been returned to them within a reasonable time. *Pindall's Ex'rs v. Northwestern Bank*, 7 Leigh, 617.

Debt does not lie on a promise to pay a named sum in bank notes. *Beirne, &c. v. Dunlap*, 8 Leigh, 514.

Bank Officer.

The sureties of an accountant of a bank, are not liable for monies taken by him from the teller's drawer without his knowledge or consent, it appearing that the accountant is not entrusted with, or put in possession of any monies of the bank, as accountant. *Allison v. Farmers' Bank*, 6 Randolph, 204.

Bills of Exchange, Acceptance and Acceptor.

Acceptance of a bill does not entitle the acceptor to charge it in account against the drawer, from the date of acceptance, unless he pays the whole money at the time, or discharges the drawer from all responsibility. *Brazton v. Willing et als.*, 4 Call, 288.

A general acceptance of an order, binds the acceptor to the payee (by whom the same was taken bona fide, and for a valuable consideration, paid by him) notwithstanding the consideration which induced the acceptance afterwards fails, such failure being without any fault on the part of the payee. *Corbin's Adm's v. Southgate*, 3 Henning & Munford, 319.

An action of debt will not lie against the acceptor of a bill of exchange. *Smith v. Segar*, 3 Hen. & Munf. 394; *Wilson v. Crowdhill*, 2 Munford, 302.

Presentment for Payment.

A declaration in assumpsit on a bill of exchange by holder against endorser, alleges that "when the bill became due and payable according to the tenor and effect thereof, viz. on the 27th December, 1816, at the Bank of Marietta in Ohio," (where it was payable) it was presented for payment and dishonored. The 27th Dec. was the fourth, not the third day. *Held*, that as it was averred that the bill was presented when it became due and payable, according to its tenor and effect, and the date of the presentment was stated under a scilicet, the date so stated was not material, and the plaintiff might have proved presentment on the third day of grace. *Jackson's Adm'x v. Henderson*, 3 Leigh, 196.

It seems that when a bill is made payable at a place or bank, at which there is a special established usage, that bills there payable shall be presented on the fourth and not on the third day of grace, such special usage must be alleged in the declaration upon such bill; otherwise, proof of presentation on the fourth day of grace is not admissible. *Ibid.*

In assumpsit on a bill of exchange drawn in Virginia payable at the Bank of Marietta, Ohio, the declaration counting on the general law merchant, and the general issue being joined: Held, that as the general law merchant requires presentation on the third day of grace, proof of presentation on the fourth day of grace, does not support the issue on the plaintiff's part. *Ibid.*

Notice of Dishonor.

If notice of the protest of a foreign bill of exchange be given within eighteen months from date of bill, it will be sufficient under the act of assembly, unless there be particular circumstances to warrant a departure from the general rule. *Scott's Ex'ors v. Call*, 1 Wash. 115.

The penalty for not giving notice of the protest of an inland bill of exchange, is the loss of interest and damages, but the principal is nevertheless recoverable. *Willock v. Riddle & Co.* 5 Call., 358.

Quære, what notice is necessary on the inland bill of exchange? *Ibid.*

If the drawer of a protested bill of exchange, being applied to in behalf of the holder for payment, acknowledged the debt to be just, and promised to pay it, saying nothing about his having received notice; the holder in an action of debt on the bill, against such drawer, is not bound to prove that notice was given him of the protest. *Walker v. Lavery et al.*, 6 Munford, 487.

When a bill of exchange returns protested, and the drawer, on payment being demanded, promises to pay, he cannot afterwards resist the payment on the ground, that due notice was not given of the protest. *Pate v. McClure*, 4 Randolph, 164.

In an action by the holder against the endorser, on a bill of exchange, whereof the drawee has refused acceptance when it was presented, and refused payment when demanded at maturity: Held, not enough to charge the endorser, to prove protest for non-payment and due notice thereof to the endorser; it is necessary to prove due notice to him of the dishonor of the bill by the non-acceptance. *Thompson v. Cumming*, 2 Leigh, 321.

When a bill of exchange is presented to the drawee, who refuses to accept or to pay, notice need not be given to the endorser, if the bill was drawn and endorsed for the benefit of the drawer with the knowledge of the endorser, and there was no expectation that the bill would be paid by the drawee. *Farmers' Bank, &c. v. Vanmeter*, 4 Randolph, 553.

Every party upon a bill of exchange, even (it seems) a party who is a mere agent for collection, endorsing the bill, though only for the purpose of collection, is entitled to one full day, to give notice to the party next before him in succession. *Brown et Sons v. Ferguson*, 4 Leigh, 37.

But the over diligence of one party to a bill, shall not supply the under diligence of others, and though the drawer or endorser sought to be charged, in fact received notice as early as he would have been entitled to, yet the holder in order to charge him, is bound to show due diligence in each and every party through whose hands the bill has passed, the onus probandi, in such case, lying on the plaintiff to prove due diligence, not on the defendant to prove negligence. *Ibid.*

An endorser residing in a district of country, passing under a particular name, and having a post office within it, and being equidistant from that

office and another out of the bounds of the district, a notice sent to the first mentioned office is sufficient, though in fact he was accustomed to receive his letters and papers from the other office. *Rand v. Reynolds*, 2 Grattan, 171.

Protest for Non-payment.

Quære, whether it is necessary that a bill of exchange be presented protested to the drawer, to entitle the holder to recover the damages allowed by law. *Proudfit v. Murray*, 1 Call. 394.

In such case, however, if the declaration state that the defendant had notice of the protest, without saying that the bill was presented to him protested, this is sufficient to entitle the plaintiff to his action; the question of the presentation being to be brought forth, at the trial, in order to settle the quantum of the recovery. Therefore, if the jury find the whole damages, without any statement of the evidence, or exception as to this point, it is to be presumed that they had evidence of the presentation, if it be necessary. *Ibid.*

The common practice of the country is to rest the claim upon the notice only. *Ibid.*

A bill of exchange does not lose its negotiable character by being protested; but after the protest, may be assigned, or transferred without assignment. *Ritchie et al. v. Moore*, 5 Munford, 388.

That the affidavit of the notary may be competent evidence, the protest must contain the facts sworn to in the affidavit. *Walker v. Turner*, 2 Grattan, 534.

Promissory Notes.

If a promissory note be signed by the maker, with an endorsement thereon also signed by him, requesting the payee, (the sum of money or quantity of tobacco not being inserted, but a blank being left,) to fill up such blank with the amount due for articles bought, it is good evidence on the plea of nil debet. *Jordan v. Neilson*, 2 Washington, 164.

Before the statute of 3d and 4th Ann, c. 9, the endorsee of a promissory note might recover against the endorser, if payment of the note had been demanded and refused. *Mackie's Ex'or v. Davis*, 2 Washington, 229.

A promissory note is not extinguished by a subsequent promissory note for the same debt, given by, and to the same persons, unless such subsequent note be paid. *McGuire v. Gadsby*, 3 Call., 234.

The surviving promiser in a joint note, made before the act of 1786, was alone liable to an action at law; nor could the note be set up in equity against the representatives of the deceased, but on the ground of a moral obligation, antecedently existing on his part, to pay the money. *Chandler's Ex'x v. Neale's Ex'ors*, 2 Hen. & Munford, 124.

In debt on a promissory note, by the assignor against the drawer, the note appearing to be "for value received," but no consideration for the assignment being alleged, parol evidence on the part of the defendant was admitted to prove that, before the plaintiff paid to the assignor any consideration for the note, he, the defendant, gave the plaintiff notice not to take it, or to pay any thing for it, for that he had made it without any consideration, and should not pay it, and also gave notice at the bank, that it might not be discounted; that the plaintiff had acknowledged that he had never paid any thing for it, and was not interested in it, and that the same was made as an accommodation note. *Norvell v. Hudgins*, 4 Munford, 496.

A declaration by the assignee of a promissory note, is too defective to

maintain the action, if it do not state that the defendant failed to pay the money to the drawee as well as to the plaintiff. *Ibid.*

A writing by which the party binds himself, his heirs, &c. to pay a sum of money, for value received, as witness his hand, (saying nothing of his seal,) is not an obligation under seal, but a promissory note; notwithstanding a scroll, purporting to be a seal, be annexed to the signature; and it be proved that the writing in question was "executed" by the plaintiff; it not appearing, explicitly, that he sealed, as well as signed it. *Anderson v. Bullock & Marshall*, 4 Munford, 442. See *Austin's Adm'r v. Whitlocke's Ex'ors*, 1 Munford, 487, S. P.

It is generally necessary for the assignee of a promissory note, to see the drawer, in order to charge the endorser; but to this rule there are exceptions; where the plaintiff can show a discharge of the drawer under the former bankrupt laws of the United States, or the insolvent law of this state, or that the drawer was actually insolvent, so that a suit would have been wholly unavailing. *Browne v. Ross*, 6 Munford, 391.

In debt on a promissory note, the court, if requested, ought to instruct the jury, that, twenty years having elapsed between the time when the note became due, and the instituting of the suit, they ought to presume it paid, unless evidence be offered of some acknowledgment of the debt, or payment of interest, or part payment of principal, within the twenty years. Nor can the court be justified in refusing to give such instruction, on the ground that the defendant in his application has not stated the evidence given in the cause; or that in the court's opinion, the said principle of law does not apply to the case, under the circumstances appearing in proof; for, this would be undertaking to judge of the weight of the evidence, of which the jury are the proper judges. *Wells v. Washington's Adm'r*, 6 Munford 532.

A creditor by mortgage, or deed of trust, has not a right, without a written agreement, to tack to such mortgage or deed of trust, a note or bond of the debtor, in exclusion of another mortgage or deed of trust, bearing date either before or after such note or bond. *Colquhoun v. Atkinsons*, 6 Munford, 550.

Debt on an instrument which is in its form a promissory note for money, concluding "witness the hand" of the parties, but scrolls by way of seals, are set to their signatures; this instrument is rightly described in the declaration as a promissory note. *Peasley v. Boatwright*, 2 Leigh, 195.

In debt on promissory note: Held, plaintiff need not aver in declaration or prove consideration, though defendant may go into evidence touching consideration. *Ibid.*

A makes a promissory note to B, who endorses it to a bank, which discounts it for accommodation of the maker; the note being paid, the endorser gives bond with surety to the bank for the debt. This bond being unpaid, does not extinguish A's simple contract debt to the bank. *Taylor's Adm'r v. Bank of Alexandria*, 5 Leigh, 471.

The decision in *Rowe v. Young*, 2 Brod. & Bing. 165, 6 Eng. Com. Law Rep. 53, 2 Bligh, 391, examined and disproved. *Armistead v. Armisteads*, 10 Leigh, 512.

In debt against makers of a promissory note, made in Virginia, negotiable and payable at the U. S. Branch Bank at Washington City, the first count of the declaration, after describing the note, averred that the same was duly presented at the bank and payment there required. At the trial, the demand of payment at the bank is not proven. The circuit court instructs the jury, that the plaintiff could not recover on this count. The second count, merely sets forth the note, not averring any presentment at the place, and the circuit court sustains a demurrer thereto. The instruction, and the sustaining of the demurrer, were both erroneous. *Ibid.*

This decision does not embrace the case of a note or obligation payable, in terms, on demand at a particular place, without specification of time or after the elapse of a specified time. In such case, it would probably be held that there is no default of a maker or acceptor, until such demand be made, and consequently, that no action would accrue to the payee until such demand should be made. Per *Stanard, J.*, *ibid.*

Usury.

A bond and deed of trust executed for a loan of money, the amount of which is made up in part of a pre-existing valid debt, and in part of stocks passed at a price considerably above their market value, is usurious. *Bank of Washington v. Arthur et als.* Grattan's Reports, vol. iii. p. 173.

Though the bond and deed of trust is usurious and void, yet as a part of the consideration thereof is a pre-existing valid debt, a court of equity will not compel the obligee to establish his claim at law before proceeding to enforce his security: and the obligee will only be relieved in equity upon equitable principles. *Ibid.*

Upon a bill framed for compelling the obligee to establish his debt at law, the court refusing that relief, will relieve on principles of equity. *Ibid.*

The obligor in the bond is not bound by a promise to pay to the assignee after assignment, without consideration; but may set up the usury against the assignee for value. *Ibid.*

The failure of the obligor to inform the assignee of the nature of the consideration, and his promise to pay not proceeding from a fraudulent intent, and having produced no injury to the assignee, the obligor is not precluded from setting up the usury against the assignee. *Ibid.*

Negotiable Instruments.

An order to pay money to B, out of a fund due to the drawer for work done, is not a negotiable instrument, of the non-acceptance or non-payment of which an endorsee is entitled to notice. *Pitman v. Breckenridge & Crawford*, Grattan's Virginia Reports, vol. iii, p. 127.

The maker of a note for the accommodation of the payee, is not released by the failure to protest the note and give him notice, though it was known to the holder that he was an accommodation maker of the note. *Hansbrough v. Gray*, *ibid.* 356.

In such case, the maker of the note is not discharged by the omission of the holder to enforce the collection thereof until the payee, for whose accommodation the note was made, became insolvent; though the holder had looked to the payee for payment. *Ibid.* 356.

PENNSYLVANIA DECISIONS.

Bills of Exchange and Promissory Notes.

In the absence of fraud, mistake, misrepresentation or other ground of equitable defence, it is not competent to the drawer of an accommodation note to prove that it was discounted for the depreciated notes of another bank; the ground of usury not having been taken in the pleadings, or at the trial, or appearing to have been brought to the notice of the plaintiff. *Keim v. The Bank of Penn Township*, Barr's Pennsylvania State Reports, vol. 1, p. 36.

An endorsement by a partner of his separate accommodation note with the name of his firm, is a sufficient indication of the nature of the transaction to make it the duty of the bank which discounts it, to inquire into his authority to use the firm name for the occasion, unless there are circumstances from which the authority can be implied.

H., a partner in the firm of H. & E., drew his separate promissory note in favor of J. C. & Co., procured their endorsement of it, added the endorsement of his own firm, and had it discounted. *Held*, that as the transaction was not within the scope of the partnership business, and as the firm had not been in the practice of endorsing the paper of H. or J. C. & Co. and had not specially sanctioned the endorsement in the particular instance, the bank's endorsee could not recover on it.

But held, that the bank placing the proceeds to the credit of H's separate account, was not a circumstance to affect the bank with notice. *Tanner v. Hall & Easton*, *ibid.* 417.

Where a second note is given in satisfaction of a first, all the parties to the first note are discharged, and the remedy is on the second; but if time is only given, and one of the sureties in the first note (which in this case was joint) assented, and the other dissented, in a suit upon the first note, an award in favor of the dissenting surety, unappealed from, does not operate to the release and discharge of the other surety and the maker. *Wolf v. Tink*, *ibid.* 435.

BANK NOTES—REWARD.

In the month of January, 1836, the Commercial Bank of Cincinnati sent by A, their agent, a large sum of money, in bank notes, to Philadelphia. On the arrival of A in Philadelphia, he called upon B, and asked him to take charge of it. B declined this, but told him that he might have the use of his fire-proof for the purpose. A accordingly went to the fire-proof and deposited certain packages, and at the request of B, locked the door of the fire-proof and took away the key with him. Afterwards he returned to B's office; and in the course of the same day a package containing \$100,000 in post notes of the Bank of the U. S., which had been brought on by him was missing. Search was made in the fire-proof without success. The Commercial Bank of Cincinnati, on hearing of the fact, offered by public advertisement a reward of \$10,000 for the recovery of the package. The advertisement stated that the package "was lost" at Wheeling, or between that place and Philadelphia, or possibly on the arrival of the bearer of it in Philadelphia; and that the reward would be paid on the delivery of the package to B, at Philadelphia, or to other persons at other places named; and added that if inconvenient to the finder to deliver the money, he might deduct the reward and remit the balance by mail to the bank. In the month of August following, C, who was the principal person in the office of B, discovered the missing package on the floor of the fire-proof, and delivered it to the cashier of the Girard Bank in Philadelphia, where it was deposited to the credit of the Commercial Bank of Cincinnati. *Held*, that the package was not lost or recovered in the sense of the advertisement; and at all events, that as it had not been delivered to either of the persons named in the advertisement, C was not entitled to the reward. *The Commercial Bank of Cincinnati v. Pleasants*, Wharton's Pennsylvania Reports, 6 vol. p. 375.

MASSACHUSETTS DECISIONS.

Attachment.

The Bank of Michigan placed funds in the hands of W. & Co. in New York for the special purpose of paying its drafts made in favor of various individuals, and not then due and payable; and afterwards drew an order on W. & Co. in favor of D. of Springfield, for the amount of said funds, and desired D. to make arrangements with W. & Co. to provide for the payment of said drafts, so far as the funds should be sufficient therefor; and W. & Co. placed said funds, on their books, to the credit of D., who instructed them to pay the drafts, as they should be presented at maturity: the holders of the drafts had notice that said funds were placed at D's control for payment of their claims, and assented thereto, and D. had notice of this assent; a creditor of the bank, residing in this state, afterwards sued the bank here, and attached said funds in D's hands, by the trustee process.

Held, that the process could not be maintained against D. *Edmund Dwight v. Bank of Michigan*, Metcalf's Massachusetts Supreme Court Reports, vol. 10, p. 605.

BANK.

A bank cannot legally be taxed for rail road stock pledged to it as collateral security for a debt. *Waltham Bank v. Inhabitants of Waltham*, *ibid.* 334.

Under the Rev. Sts. c. 36, § 31, which provide that "the holders of stock in any bank, at the time when its charter shall expire, shall be liable, in their individual capacities, for the payment and redemption of all bills which may have been issued by said bank, and which shall remain unpaid, in proportion to the stock they may respectively hold at the dissolution of the charter," it was held that the bill-holders cannot severally maintain a bill in equity against the stockholders, to compel payment and redemption of the unpaid bills held by them respectively, but that all of them must join in one bill, or one or more of them must file a bill for the benefit of all, against all the stockholders. *Crease v. Babcock*, *ibid.* 525. [Case of the Chelsea Bank.] *Grew v. Breed*, *ibid.* 575.

Held, also, that a holder of bank bills, purchased by him as trustee, is entitled to maintain a bill in equity in his own name, without joining the cestui que trust, against the stockholders, for himself, and for all other holders of unpaid bills. *Grew v. Breed*, *ibid.* 569. [Case of the Nahant Bank.]

Held, also, that one who buys bank bills of a broker, at a discount, under an agreement to keep them from circulation for a certain time, is entitled to the statute remedy against the stockholders, for the full amount of the bills, unless he has notice, when he buys them, that they are improperly issued by the officers of the bank; but that such a sale to him by a broker is not evidence of such notice. *Ibid.*

Held, also, that when the bills of the bank are sold by its officers, on a usurious contract, a subsequent bona fide purchaser of them is entitled to recover of the stockholders the full nominal value thereof, without any deduction on account of the usury in the sale by the officers of the bank. *Ibid.*

Held, also, that an agreement by a bank, with a holder of its bills, to convey property to him in payment thereof, which agreement is not executed,

by reason of an injunction on the bank and the placing of its assets in the hands of receivers, does not impair the bill-holders remedy against the stockholders. *Ibid.*

Held, also, that when part of the stock is owned by the bank itself, the individual stockholders are not, for that reason, liable to any further extent than they would have been if none of the stock had been so owned. *Crease v. Babcock*, *ibid.* 525.

Held, also, that holders of stock are not jointly responsible for each other, that each is severally liable in such a sum, not exceeding the par value of his shares, as the amount of unpaid bills may require; and that the liability of solvent holders cannot be extended by reason of the insolvency of other holders. *Ibid.*

Held, also, that those who hold stock as collateral security and those who hold it in trust, whether the trust does or does not appear on the books of the bank, are liable for the payment and redemption of unpaid bills; and that administrators of deceased stockholders are so liable, in their representative capacity, as for other debts of their intestates. *Crease v. Babcock*, *ibid.* 525. *Grew v. Breed*, 569.

Held, also, that the remedy against the individual stockholders is not confined to those who held the bills of the bank at the time when the charter expired, but extends to those who, after the charter expired, took the bills in the ordinary course of business, or otherwise acquired a good title to them. *Ibid.*

Held, also, that the terms "bills which shall remain unpaid" mean bills that shall be ultimately unpaid, after the application of the assets of the bank towards payment thereof, and that the holders of unpaid bills are not entitled to a decree for payment, against the individual stockholders, until after the assets of the bank have been so applied. *Crease v. Babcock*, *ibid.* 525.

Held, also, that when the assets of the bank are placed in the hands of receivers, the holders of its bills, who do not present their claims to the receivers, cannot recover of stockholders the full amount thereof, but only the balance which they would have been entitled to recover, if they had proved their claims before the receivers and obtained part payment. *Grew v. Breed*, *ibid.* 569.

Held, also, that stockholders are not liable to pay post-notes issued by the bank. *Crease v. Babcock*, *ibid.* 525.

Held, also, that holders of stock are not liable to pay any interest on unpaid bank bills, either from the time when payment was demanded of the bank, or the time of filing a bill in equity to compel payment. *Crease v. Babcock*, *ibid.* 525. *Grew v. Breed*, *ibid.* 569.

Held, also, that an attachment of the property of the bank, made on a bill in equity (inserted in a writ) by the holders of unpaid bills against the individual stockholders, is wholly unavailing. *Crease v. Babcock*, *ibid.* 525.

Bill of Exchange.

An acceptor of a bill of exchange is not liable to the payee or endorsee for damages caused by non-payment, but only for the amount of the bill, with interest and costs of protest. *Bowen v. Stoddard*, *ibid.* 375.

The statute of Maine, which enacts that, in an action on a bill of exchange drawn or endorsed in that state, payable in this state, and protested for non-payment, the holder shall recover three per cent. damages, in addition to the contents of the bill and interest, does not entitle the holder to recover those damages in a suit brought against the acceptor in the courts of this state. *Fiske v. Foster*, *ibid.* 597.

BILLS AGAINST SPECIFIC SHIPMENTS.

Before the Supreme Court of New York, December Special Term, 1847.

Decision of the Supreme Court as to Equitable Lien of Holders of Bills drawn against Specific Shipments of Cotton for the proceeds of such Cotton.

The Marine and Fire Insurance Bank of Georgia, vs. James W. Jauncey, Joseph Wood, and John Wood.—In June, 1846, John Wood, then residing in Savannah, shipped and consigned to Joseph Wood, a commission merchant in New York, ten bales of cotton, for sale on commission, on his account; that the cotton was received in New York on the 12th July; that on the 29th of June, John Wood made his draft upon Joseph Wood, at 60 days' sight, payable to the order of Thos. J. Walsh; that the draft was drawn against the proceeds of the cotton to be realised on a sale in New York; that the draft was presented to the plaintiff for discount by the payee on the day it was drawn; that Walsh and John Wood then represented that the draft had been drawn against the consignment of the cotton, and would be paid out of its proceeds; and upon the faith of such representation the plaintiff discounted the draft; that it was accepted on the 6th of July, and when it became due, it was protested for non-payment; that before the cotton arrived at New York, and on the 30th of June, Joseph Wood executed to the defendant Jauncey, a general assignment for the benefit of his creditors; that when the cotton arrived at New York, Jauncey, by virtue of his assignment, took possession of it as a part of the assigned property, and refuses to account for it to the plaintiff; that on the 30th of September the plaintiff gave notice to Jauncey of its claim upon the proceeds of the cotton for the payment of the draft, and that he then had the cotton or its proceeds in his possession; that John Wood and Joseph Wood are both insolvent. The bill prays that the proceeds of the cotton may be applied by Jauncey to the payment of the draft.

Jauncey and Joseph Wood demurred to the bill for want of equity, also because Walsh was not made a party, and for the further reason that the plaintiff is a foreign corporation, and it does not appear in the bill that it has authority by law to make discounts.

By THE COURT—Harris, Justice.—At the time of the execution of the assignment, Joseph Wood had no interest in the cotton, which could be conveyed by the assignment—the cotton had not yet arrived—the draft had not been accepted. When he accepted the draft, he acquired a lien upon the cotton for his indemnity; but this could give Jauncey no right to claim the cotton. He then stood in the situation of a surety for John Wood, the principal debtor. The proceeds of the cotton, if received by him, would have constituted in his hands, a trust fund, applicable to the payment of the draft. It is not denied, that between him and John Wood, the party providing the fund for a specific object, such application could have been enforced. It cannot be pretended that Jauncey acquired any greater interest or better right to the cotton than Joseph Wood would have had if no assignment had been made, or than he would have acquired if the draft had been accepted before the assignment.

It is well settled, that an assignee claiming under a general assignment, by a failing debtor for the benefit of his creditors, is only entitled to the same rights and equities as the debtor himself would have possessed. It seems to follow, then, that the proceeds of this cotton in the hands of Joseph

Wood's assignee, became a trust fund, applicable to the payment of the draft drawn against such proceeds.

Again, it has been well settled, that where a principal debtor provides in the hands of his surety, or one standing in the situation of a surety, a fund to pay his debts, the creditor is entitled to have such fund applied in payment of such debts. *Curtis vs. Tyler*, 9 Paige 434. *Platt vs. Adams*, 7 Paige, 626. And this, too, even when the creditor has no knowledge of the existence of the fund when he became such creditor. In this case, then, the plaintiff having by the discount of the draft become the creditor of John Wood the principal debtor, it is entitled, as the holder of the draft, to the benefit of any fund provided by John Wood for its payment, whether in discounting the draft it relied upon the credit of the fund or not. Jauncey having taken the place of Joseph Wood, so far as the fund is concerned, is bound to apply it the purpose for which it was provided.

Nor do I think the other grounds of demurrer well taken. It does not appear that Walsh has been charged as endorser of the draft—and if he had not been, he had no possible interest in the subject matter of the suit. But even if he were liable as endorser, I cannot see that he would be a necessary or even a proper party to the suit. As endorser, he might have an equitable claim to have the property provided by the drawer, applied to its payment. If he has any interest at all, it is identical with that of the plaintiff. If he had been made a party, no decree could properly have been made against him.

It is true that when a foreign corporation appears in court, it must establish its right to bring the suit, and make the contract it seeks to enforce. But I understand that it is sufficient to show this upon the hearing of the cause, and that it is not necessary to set forth in the pleadings the authority upon which it relies, to sustain its right to sue or to enforce the contract. *Bank of Michigan vs. Williams*, 5 Wend. 478.

The demurrer must be overruled with costs. The defendants may have thirty days to pay the costs and put in their answer. In case they do not elect to answer within that time, the bill is to be taken as confessed by them.—*New York Journal of Commerce*.

ROBBERY OF MESSRS. ROGERS & CO.

From the London Bankers' Magazine.

As we have frequently had to recur to the subject of the robbery of notes from Messrs. Rogers & Co's bank, in 1844, we are now happy to state that the whole of the property has been recovered, under circumstances which, we believe, will be satisfactory to the friends of the house, although the recovery has been attended with much expense and inconvenience.

As the subject is of more than ordinary interest, on account of the large amount of property involved, it will perhaps be useful to revert briefly to some of the circumstances connected with it, which, although well known to most of the customers of the firm, have not, we believe, hitherto been made public. It is to be regretted, perhaps, that more publicity has not been given to the proceedings which have taken place since the robbery was discovered, because the most absurd and unfounded rumors have been current, which would at once have been silenced by a brief statement of facts.

On Monday morning, the 25th November, 1844, on opening the door of the strong room at the usual hour of commencing business, it was discovered that one of the boxes placed in it on Saturday night, containing all the Bank of England notes in hand at the close of business, and other valuable securities, had been removed, together with £1,200 in gold, contained in the usual canvas bags; making, in all, upwards of £48,000 in notes and gold, exclusive of bills of exchange, cheques, &c.

Attention was of course in the first place directed to ascertain by what means the thief or thieves had obtained access to the strong room. There were no marks of violence on any of the doors or windows of the house, and the lock and door of the strong room were to all appearance the same as usual. It was evident, therefore, that the lock had been picked either by false keys, which was almost impossible, or by copies of the keys used at the bank having by some means been obtained by the robbers. We believe the last supposition is now thought to be correct. Suspicion did not immediately attach to any one; all the persons engaged in the establishment gave a satisfactory account of themselves, and accounted for the manner in which they had respectively been engaged on the Sunday, the day preceding the discovery of the robbery. The porter had also been out all the day by permission, and had been seen to leave the bank in the morning at the time he stated. We believe the partners were quite satisfied with the explanations of their clerks, and fully exonerated them from any participation in the robbery. It would, of course, be out of place for us to state *whom* they did suspect, no criminal proceedings having been taken against any one, from the absence of all means of proving the crime; but we feel convinced, from the facts we know, that the robbery will not ultimately go unpunished. There is at present a difficulty in obtaining legal proof of the crime, which may be hereafter supplied.

A reward of £3,000 was immediately offered by Messrs. Rogers & Co. for "the apprehension of the guilty party or parties," and restoration of the property; and lists of nearly all the notes were made out, and distributed throughout the kingdom, and subsequently all over the world. Mr. Hobler, the solicitor employed by the bank, took the most efficient means of proving, if necessary, the service of these lists on the continent; and by inserting them in this Magazine for some time, he would have been able to prove their delivery to nearly every bank in the kingdom, if required. By these means, the negotiation of the notes was effectually stopped; and as all the £1,000 notes stolen were dated the 13th May, 1844, the Bank of England, when applied to by Mr. Hobler, called in and cancelled all the outstanding notes of that date, excepting those stolen, and thus afforded a further means of detection. Subsequently, the Bank of England also allowed Messrs. Rogers & Co. the full amount of the notes on their undertaking to guarantee the bank against any claim which might be made upon it, and giving satisfactory security.

In this state the matter remained, until about a twelvemonth since, when, in consequence of information received, it was believed that the stolen property was secreted in a house at Islington. The grounds of suspicion did not, however, justify a search-warrant being issued; but as other stolen property was believed to be secreted there, a warrant was obtained, and *six hundred pounds in sovereigns* was found concealed. The money, however, could not be identified, and no proceedings were, therefore, taken. The thief or thieves had acted very judiciously, at the time of the robbery, in not taking any of the silver coin from the strong room. In order to save themselves the trouble of opening the bags, to see which contained gold, they had *cut the sides of each bag with a knife*, and so ascertained its contents.

In addition to the notes specified in the lists as stolen, about £400 more (chiefly in £5 notes) were taken; and as the numbers of some of these were known, it was hoped, that if any of them were negotiated, a clue might be obtained to the guilty parties. The thieves, however, were evidently masters of their craft; and instead of attempting to pass the notes, they entered into negotiations for the return of the property. Amongst other ingenious modes of effecting this, one party undertook to find out by *mesmerism* where the property was concealed; but Messrs. Rogers firmly declined to receive back their property on any terms which should screen the guilty party or parties from justice, and hence the matter has stood over until the present time.

The whole of the notes specified in the lists have now been recovered, together with the other valuable documents contained in the stolen box. We are not aware of the precise manner in which this has been effected, but we believe it has cost the firm *two thousand six hundred pounds*, being the amount of the reward offered during the present year for the recovery of the property, the original sum of three thousand pounds having been reduced by Messrs. Rogers, who intended to decrease the reward annually.

If the notes had remained unclaimed for five years, the Bank of England might have declined paying them, and could have pleaded the *statute of limitations* as a bar to any action for their recovery; but as the bank have never refused payment of their notes under any circumstances for such a reason, it is not probable that they would have adopted this course in the present case. If, therefore, any of the large notes had been presented for payment by a party who could have shown the probability of his having taken them without "gross negligence," he would no doubt have been paid by the bank, and Messrs. Rogers & Co. must have borne the loss. The measures of Mr. Hobler, the solicitor, were, however, so well contrived, that it was scarcely possible for any of the larger notes to have been taken in ignorance of the robbery. As we mentioned at the time, certified copies of the lists of notes were served by notaries, or other official parties, on all the money-changers and bankers on the continent, and the usual channel for negotiating stolen notes was therefore closed.

We believe we are correct in stating, that the recovery of the property is mainly attributable to the excellent precautions adopted by Mr. Hobler, the solicitor of Messrs. Rogers; whose experience in matters of this kind enabled him at once to stop all attempts to circulate the notes; and had there been the slightest clue to the manner in which the robbery had been committed, and the place of concealment of the property, he would no doubt have succeeded in bringing the guilty party or parties to justice.

A knowledge of the facts connected with this great robbery may be useful to bankers, on the occurrence of any future case of the kind.

DECISION OF CHARACTER.

There is a certain constitution of mind, which, of all others, is the most likely to make our fortunes if combined with talent, or to mar them without it; for the errors of such minds are few but fatal. I allude to those characters who have a kind of mathematical decision about them, which dictates that a straight line is the shortest distance between any two points, and that small bodies *with* velocity have a greater momentum than large masses *without* it. Thus, they would rather use a *cannon ball* than a *battering ram*. With such minds, to resolve and to act is instantaneous; they seem to precede the march of time—to foresee events in the chrysalis of their causes—and to seize that moment for execution which others waste in deliberation.

Lacon.

Banks of Pennsylvania.

BANKS OF PENNSYLVANIA.

Tabular statement of the condition of the various Banks of Pennsylvania, November, 1847.

<i>Resources.</i>	Bills discounted.	Specie and Tr. notes.	Due by Banks.	Notes and checks.	Real estate.	Bonds and Mortgages.	Stocks.	Total resources.
Bank of Pennsylvania.....	2,354,644	272,640	111,057	550,935	101,359	239,244	238,940	3,928,993
Philadelphia Bank.....	2,781,045	649,718	159,111	399,713	68,534	64,507	20,975	4,234,878
Bank of North America.....	1,869,664	941,993	98,295	83,294	60,891	40,630	67,025	3,617,921
Commercial Bank of Pennsylvania.....	1,583,539	257,462	129,017	174,795	89,064	2,500	184,720	2,555,621
Farmers and Mechanics' Bank of Philadelphia....	2,414,399	416,349	57,994	350,349	74,157	63,617	164,200	4,322,812
Girard Bank.....	648,550	320,356	13,484				182,160	6,699,303
Southwark Bank.....	590,117	298,925	16,145	66,885	23,448		20,350	1,232,918
Bank of Commerce.....	460,816	185,473	8,330		16,421		25	699,439
Mechanics' Bk. of the City and Co. of Philadelphia.	1,359,186	192,702	106,673	201,393	85,875	4,213	233,436	2,453,416
Western Bank of Philadelphia.....	1,252,448	189,841	155,145	87,373	25,000	13,100	958	1,732,364
Bank of the Northern Liberties.....	961,232	248,089	91,348	196,430	17,961	2,500	150,209	1,668,073
Bank of Penn Township.....	757,000	203,050	72,660		23,853	5,150	12,641	1,155,839
Manuf & Mechan. Bank of the Northern Liberties.	781,879	164,272	23,526		32,661	2,000	5,000	1,075,985
Kensington Bank.....	692,542	143,765	35,631	27,380	16,835		6,692	982,361
Total Philadelphia Banks.....	18,507,068	4,484,641	1,078,423	2,135,992	635,066	437,754	1,287,333	35,359,529
Bank of Germantown.....	215,606	25,915	12,864	5,737	39,551	12,372	53,368	366,960
Bank of Delaware County.....	280,411	66,674	16,576	4,936	18,199	77,937		469,339
Bank of Chester County.....	434,404	92,205	102,009	40,294	28,245		27,380	832,815
Farmers' Bank of Bucks County.....	174,181	24,712	17,681	11,012	8,061		5,229	275,600
Doylestown Bank of Bucks County.....	116,594	66,025	14,398	8,973	8,148			221,367
Easton Bank.....	667,431	120,654	118,060	17,155	18,261	117,944	22,120	1,253,806
Mimers' Bank of Pottsville.....	561,266	28,593	48,314	15,210	49,390	92,906	20,999	843,173
Farmers' Bank of Schuylkill County.....	207,566	17,633	19,823	3,970	4,680			253,685
Bank of Montgomery County.....	444,019	100,303	51,329	13,774	8,950	47,583	30,874	752,317

Banks of Pennsylvania.

621

<i>Resources.</i>	Bills discounted.	Specie and Tr. notes.	Due by Banks.	Notes and Checks.	Real estate.	Bonds and mortgages.	Stocks.	Total resources.
Lebanon Bank.....	205,117	42,965	98,969	3,635	582		3,360	965,599
Farmers' Bank of Reading.....	611,696	196,916	84,215	12,129	9,594	9,464	111,960	1,044,063
Lancaster Bank.....	511,837	252,963	158,134	74,764	20,630	81,291	125	1,262,998
Lancaster County Bank.....	322,054	63,709	34,101	42,867	8,446	11,906		483,086
Columbia Bank and Bridge Company.....	252,927	47,045	19,739	13,848	7,000		246,200	606,977
York Bank.....	445,921	116,623	29,358	9,749	4,000		5,500	712,244
Bank of Gettysburg.....	118,899	64,505	50,403	11,953	23,289	92,671	42,660	404,647
Bank of Chambersburg.....	239,510	71,038	15,420	13,464	58,003	111,039	70,450	660,539
Harrisburg Bank.....	457,812	61,125	105,447	34,223	40,729	81,368	86,194	901,072
Bank of Middletown.....	261,084	125,907	12,265		10,784		47,481	459,651
Bank of Northumberland.....	324,892	51,371	133,642	7,204	11,024	23,022	8,313	642,328
Wyoming Bank at Wilkesbarre.....	249,466	13,144	29,968	401	1,954		18,044	313,021
Bank of Susquehanna County.....	114,338	11,555	89,863	9,847	1,278		28,966	263,532
Honesdale Bank.....	130,786	47,084	75,481	91,019	2,442		1,200	352,956
West Branch Bank.....	118,038	13,468	8,868	15,870	7,243	31,686	12,500	330,311
Bank of Lewistown.....	494,552	6,306	15,826	1,140	10,823		29,300	606,974
Bank of Pittsburgh.....	1,586,216	329,417	587,780	60,741	49,930	13,522	500	2,700,526
Exchange Bank of Pittsburgh.....	1,180,101	234,718	91,635	126,823	55,006			1,864,562
Merchants and Manufacturers' Bank of Pittsburgh.....	843,487	128,737	243,665	33,509	22,952	23,500	40,743	1,336,596
Monongahela Bank of Brownsville.....	197,309	85,964	149,097	64,313	6,724	4,099	12,823	521,162
Farmers and Drivers' Bank of Waynesburg.....	222,923	18,095	136,588	28,762	3,251	37,809	11,750	461,208
Franklin Bank of Washington.....	141,711	63,958	103,397	37,133	3,406	20,703		436,276
Erie Bank.....	191,563	32,473	85,150	72,325	4,614		7,725	769,325
Dauphin Deposit Bank.....	376,666	77,617	11,368		5,860			471,531
Farmers' Deposit Bank of Pittsburgh.....	219,593	19,848	4,109					246,044
Lancaster Savings Institution.....	156,127	57,992				4,462	2,521	233,155
York Savings Institution.....	144,706	10,327	2,954					158,686
Hanover Saving Fund Society.....	79,532	6,317						85,914
Farmers' Bank of Lancaster.....	344,972	84,810	33,623	35,162	6,000	420	64,386	635,840
Total resources, 52 Banks.....	\$32,152,451	\$7,362,659	\$3,993,759	\$3,050,730	\$1,104,375	\$1,333,726	\$2,300,012	\$59,959,230

Banks of Pennsylvania.

Tabular statement of the condition of the various Banks of Pennsylvania, for the month of November, 1847.

<i>Liabilities.</i>	Capital stock.	Circulation.	Due Banks.	Depositors.	Dividends.	Contingent fund.	Discounts.	Profit and loss.
Bank of Pennsylvania.....	1,562,500	492,092	325,331	828,248	8,456	312,500	79,291	156,862
Philadelphia Bank.....	1,150,000	693,384	638,445	1,409,571	44,755	252,192	15,967	
Bank of North America.....	1,000,000	430,426	619,049	1,278,491			67,924	
Commercial Bank of Pennsylvania.....	1,000,000	258,429	340,563	761,226	4,873	134,482	50,988	
Farmers and Mechanics' Bank of Philadelphia....	1,250,000	613,925	737,306	1,468,751	8,257		105,045	53,498
Girard Bank.....	5,000,000	255,336	21,938	422,030				
Southwark Bank.....	250,000	237,020	126,885	525,292	14,152		24	77,703
Bank of Commerce.....	250,000	156,545	30,049	225,239	4,250	4,957	245	4,752
Mechanics' Bk. of the City and Co. of Philadelphia.	800,000	367,065	232,267	604,062	6,885	382,571	50,110	9,391
Western Bank of Philadelphia.....	334,880	277,365	309,880	651,606	1,261	113,732	43,422	
Bank of the Northern Liberties.....	350,000	310,147	188,125	744,495	19,684	50,000		5,630
Bank of Penn Township.....	225,000	242,770	93,618	500,330	1,316	58,997	22,846	8,454
Manuf. & Mechan. Bank of the Northern Liberties.	300,000	280,715	78,075	323,759	727	46,682	22,911	3,637
Kensington Bank.....	250,000	221,517	37,765	405,767	930	40,166	23,214	
Total 14 Philadelphia Banks.....	13,722,380	4,835,727	3,779,304	10,151,876	115,552	1,396,283	481,993	319,930
Bank of Germantown.....	142,050	80,670	1,017	114,128	1,227	11,522	7,651	
Bank of Delaware County.....	155,640	97,896	5,238	190,659	1,029		10,227	7,715
Bank of Chester County.....	225,000	351,552	14,954	215,373	994	11,032	7,858	
Farmers' Bank of Bucks County.....	92,220	73,269	6,915	63,886	784	6,000	5,005	4,475
Doylestown Bank of Bucks County.....	60,000	90,435	87	63,356	386	17	7,083	
Easton Bank.....	400,000	561,055	3,826	204,887	26,663		384	49,799
Miners' Bank of Pottsville.....	199,920	330,685	73,255	167,997	1,706	43,270	16,701	
Farmers' Bank of Schuylkill County.....	100,000	130,320	5,371	15,400		2,113	30	
Bank of Montgomery County.....	276,115	231,439	15,436	172,744	13,583	40,768	473	
Lebanon Bank.....	70,280	213,630	465	57,745	5,065	6,619	119	2
Farmers' Bank of Reading.....	300,360	535,670	14,975	169,011	6,270	991	291	

Banks of Pennsylvania.

623

<i>Liabilities.</i>	Capital stock.	Circulation.	Due Banks.	Depositors.	Dividends.	Contingent fund.	Discounts. and loss.	Profit
Lancaster Bank.....	182,340	585,650	98,521	367,278	725		17,138	7,918
Lancaster County Bank.....	119,213	255,765	1,652	99,786	6,689	714		
Columbia Bank and Bridge Company.....	307,300	175,324	18,438	64,177	1,717		8,235	11,723
York Bank.....	238,275	329,065	19,641	99,558			19,023	
Bank of Gettysburg.....	123,873	210,295	3,011	28,997	3,733	9,582	5,276	
Bank of Chambersburg.....	205,838	214,540	5,145	116,267	7,471	62,761	27	
Harrisburg Bank.....	300,000	365,680	20,456	138,755	1,748		12,778	
Bank of Middletown	97,275	274,035	3,127	46,995			11,095	
Bank of Northumberland.....	160,000	340,661	10,400	73,310	8,731	20,000	242	3,851
Wyoming Bank at Wilkesbarre.....	85,330	140,065		69,781	4,054	10,000		3,276
Bank of Susquehanna County.....	100,000	135,295		17,014	97		6,365	4,760
Honesdale Bank.....	82,000	234,920		24,208	28		619	10,200
West Branch Bank.....	100,000	169,522	92	41,758	347		1,790	
Bank of Lewistown.....	197,910	244,500	3,154	65,108	3,018	6,583	13,434	2,253
Bank of Pittsburgh.....	1,142,340	440,640	117,508	864,119	7,659	67,640	56,329	
Exchange Bank of Pittsburgh.....	813,545	546,670	36,189	307,013	4,019	51,961		46,924
Merchants and Manufacturers' Bank of Pittsburgh..	600,000	370,885	33,344	220,366	24,751	61,417		
Monongahela Bank of Brownsville.....	126,000	270,356	1,782	104,132		11,790	6,345	
Farmers and Drivers' Bank of Waynesburg.....	100,000	309,200	5	32,450	3,585	15,740		
Franklin Bank of Washington.....	120,000	211,170	268	83,536	4,215	17,047	35	3
Erie Bank.....	101,895	241,785	2,137	36,675	6,113			4,756
Dauphin Deposit Bank.....	50,000		21,073	245,059		15,000	738	
Farmers' Deposit Bank of Pittsburgh.....	62,500			163,170		12,500		
Lancaster Savings Institution.....	10,160			210,050	39	5,436	4,469	
York Savings Institution.....	30,000		3,897	118,388	138	3,536	2,718	6
Hanover Saving Fund Society.....	36,000		9,854	38,076	1,750		73	87
Farmers' Bank of Lancaster.....	350,000	148,925	7,522	70,264	10,107			1,320
Liabilities of 52 Banks.....	\$21,585,760	\$13,737,597	\$4,338,073	\$15,009,369	\$273,009	\$1,893,329	\$704,559	\$478,998

BANK STATISTICS.

Comparative view of the Banks of Pennsylvania.

<i>Resources.</i>	Total, Nov. 1845.	Total, Nov. 1846.	14 Phila Banks, Nov. 1847.	38 Country Banks.
Bills discounted.....	27,102,507	28,186,285	18,507,068	13,645,363
Specie and Tr. notes	5,802,230	5,796,192	4,484,641	2,878,018
Bank balances.....	2,676,338	2,826,886	1,078,424	2,915,315
Bank notes and checks...	2,126,505	2,316,312	2,138,993	921,737
Real estate.....	1,469,997	1,765,266	635,065	469,310
Bonds, mortgages, &c...	1,208,972	1,302,912	437,755	895,971
Stocks.....	2,368,078	2,422,475	1,287,333	1,012,679
Bills of Exchange, &c....	710,238	585,842	905,897	183,738
Expenses.....	65,503	33,775	61,205	37,012
Post notes.....	3,200,064	928,897	563,061	65,904
Loans.....	2,234,388	2,182,943	544,875	1,404,773
Miscellaneous.....	833,842	4,796,986	4,713,883	168,930
Surplus account.....	135,488	116,940	1,338	526
Total resources.....	\$ 49,934,140	\$ 53,260,711	\$ 35,359,528	\$ 24,599,702
<i>Liabilities.</i>				
Capital.....	16,154,600	20,994,724	13,722,380	7,863,380
Circulation.....	10,107,188	10,681,465	4,835,728	8,901,871
Bank balances.....	3,307,130	3,426,662	3,779,304	558,770
Deposits.....	13,748,242	13,171,580	10,151,876	4,857,494
Contingent fund.....	1,887,640	2,528,533	1,396,284	497,046
Discounts, exchange, &c.	563,417	304,060	481,993	222,567
Profit and loss.....	304,988	674,566	319,920	159,080
State deposits.....	56,434	190,746	89,936	378,024
Relief circulation.....	416,029	548,626	123,450	616,931
U. S. deposits.....	665,150	100,958		
Miscellaneous	2,481,160	200,918	336,187	162,363
Suspense account.....	12,213	23,714	6,918	12,228
Dividends unpaid.....	229,950	414,158	115,552	157,458
Total liabilities.....	\$ 49,934,140	\$ 53,260,711	\$ 35,359,528	\$ 24,599,702

A CAUSE OF FAILURE IN LIFE.

Many men fail in life from the want, as they are too ready to suppose, of those *great* occasions wherein they might have shown their trust-worthiness and their integrity. But all such persons should remember, that in order to try whether a vessel be leaky, we first prove it with *water* before we trust it with *wine*. The more minute, trivial, and we might say *vernacular*, opportunities of being just and upright, are constantly occurring to every one; and it is an unimpeachable character in these lesser things, that almost invariably prepares and produces those very opportunities of greater advancement and of higher confidence which turn out so rich a harvest, but which those alone are permitted to *reap* who have previously *sown*.—*Lacon*.

A GENERAL STATEMENT OF THE BANK OF THE UNITED STATES.

<i>Assets.</i>		December 1, 1847.
Stock accounts.....		\$ 5,000 00
Proceeds of sale of stocks in hands of sheriff..		71 77
Stocks pledged for loans in Europe.....		14,675,906 16
" " in London.....		16,000 00
Losses chargeable to contingent fund.....		6,449,929 38
Interest and exchange accounts.....		18,600 13
Foreign exchange accounts.....		423,210 19
Interest on loans in Europe.....		97,500 00
Union Bank of Florida, charges on loans.....		21,778 22
Foreign bills protested.....		40,000 00
Bonus.....		2,500,000 00
Expenses.....		414 56
Profit and loss.....		589,154 49
Stocks and securities with Huth & Co.....		24,000 00
James Dundas, et al, trustees.....		7,934,915 99
John Bacon, " ".....		12,182,706 59
Jas. Robertson, " ".....		15,912,256 51
Suspense account.....		2,200 29
Post notes on hand.....		134,575 27
" " city banks.....		2,000 00
Bank and branch notes on hand.....		1,427,980 00
Check on Girard Bank.....		296 48
Total assets.....		\$ 62,458,807 03
<i>Liabilities.</i>		
Capital stock.....		\$ 35,000,000 00
Bond to the United States.....		78,886 10
Post notes issued.....		485,368 34
" " to city banks.....		5,073,444 91
Bank and branch notes issued.....		4,927,406 90
Due to officers and agencies.....		320,126 68
" State banks.....		180,560 06
Loans in Europe and interest.....		13,286,917 39
Interest on stocks in Europe.....		873,263 04
Foreign accounts.....		103,839 53
Agency London and Amsterdam bankers.....		126,514 55
Guarantee of Morris canal to State of Michigan.		1,306,312 50
Bonds in Europe.....		19,085 33
Dividends unclaimed.....		32,061 80
Individual depositors.....		365,019 87
Special deposit, commonwealth of Pennsylvania.		280,000 00
Total liabilities.....		\$ 62,458,807 03
Circulation of bank and branch notes.....	\$3,499,426 90	
" " post notes.....	350,793 07	
" " " to city banks	5,071,444 94	
Individual depositors.....	365,019 87	
Distant bank balances.....	180,560 06	\$ 9,467,244 84
BANK OF THE UNITED STATES, December 1, 1847.		
J. ROBERTSON, President.		

BIOGRAPHICAL SKETCHES.

DAVID RICARDO, Esq., M. P.

Sketch of the Life and Writings of the late David Ricardo, Esq., M. P.—and Member of the London Stock Exchange: by J. R. McCulloch, Esq.

Mr. Ricardo was placed, in early life, under circumstances apparently the least favorable for the formation of those habits of patient and comprehensive investigation, which afterwards raised him to a high rank among political philosophers.

He was the third of a numerous family, and was born on the 19th of April, 1772. His father, a native of Holland, and of the Jewish persuasion, settled in this country early in life. He is said to have been a man of good talents and of the strictest integrity; and having become a member of the stock exchange, he acquired a respectable fortune, and possessed considerable influence in his circle. David, the subject of the present memoir, was destined for the same line of business as his father; and received, partly in England, and partly at a school in Holland, where he resided two years, such an education as is usually given to young men intended for the mercantile profession. Classical learning formed no part of his early instruction; and it has been questioned, with how much justice we shall not undertake to decide, whether its acquisition would have done him service; and whether it might not probably have made him seek for relaxation in the study of elegant literature, rather than in the severer exercises of the understanding; and prompted him to adopt opinions sanctioned by authority, without inquiring very anxiously into the grounds on which they rested.

Mr. Ricardo began to be confidently employed by his father in the business of the stock exchange, when he was only fourteen years of age. Neither then, however, nor at any subsequent period, was he wholly engrossed by the details of his profession. From his earliest years he evinced a taste for abstract reasoning; and manifested that determination to probe every subject of interest to the bottom, and to form his opinion upon it according to the conviction of his mind, which was a distinguishing feature of his character.

Mr. Ricardo, senior, had been accustomed to subscribe, without investigation, to the opinions of his ancestors, on all questions connected with religion and politics; and he was desirous that his children should do the same. But this system of passive obedience, and of blind submission to the dictates of authority, was quite repugnant to the principles of young Ricardo, who, at the same time that he never failed to testify the sincerest affection and respect for his father, found reason to differ from him on many important points, and even to secede from the Hebrew faith.

Not long after this event, and shortly after he had attained the age of majority, Mr. Ricardo formed an union, productive of unalloyed domestic happiness, with Miss Wilkinson. Having been separated from his father, he was now thrown on his resources; and commenced business for himself. At this important epoch of his history, the oldest and most respectable members of the stock exchange gave a striking proof of the esteem entertained by them for his talents and character, by voluntarily coming forward to support him in his undertakings. His success exceeded the most sanguine expectations of his friends, and in a few years he realised an ample fortune.

"The talent for obtaining wealth," says one of Mr. Ricardo's near relations, from whose account of his life we have borrowed these particulars,

"is not held in much estimation; but perhaps in nothing did Mr. R. more evince his extraordinary powers, than he did in his business. His complete knowledge of all its intricacies; his surprising quickness at figures and calculation; his capability of getting through, without any apparent exertion, the immense transactions in which he was concerned; his coolness and judgment, combined certainly with (for him) a fortunate tissue of public events, enabled him to leave all his contemporaries at the stock exchange far behind, and to raise himself infinitely higher, not only in fortune, but in general character and estimation, than any man had ever done before in that house. Such was the impression which these qualities had made on his competitors, that several of the most discerning among them, long before he had emerged into public notoriety, prognosticated in their admiration, that he would live to fill some of the highest stations in the state."*

According as his solicitude about his success in life declined, Mr. Ricardo devoted a greater portion of his time to scientific and literary pursuits. When about twenty-five years of age, he began the study of some branches of mathematical science, and made considerable progress in chemistry and mineralogy. He fitted up a laboratory, formed a collection of minerals, and was one of the original members of the Geological Society. But he never entered warmly into the study of these sciences. They were not adapted to the peculiar cast of his mind; and he abandoned them entirely, as soon as his attention was directed to the more congenial study of political economy.

Mr. Ricardo is stated to have first become acquainted with *Smith's Wealth of Nations* in 1799, while on a visit at Bath, to which he had accompanied Mrs. Ricardo for the benefit of her health. He was highly gratified by its persual; and it is most probable that the inquiries about which it is conversant, continued henceforth to engage a considerable share of his attention, though it was not till a later period that his spare time was almost exclusively occupied with their study.

Mr. Ricardo came, for the first time, before the public as an author in 1809. The rise in the market price of bullion, and the fall of the exchanges that had taken place in the course of that year, had excited a good deal of attention. Mr. Ricardo applied himself to the consideration of the subject; and the studies in which he had latterly been engaged, combined with the experience he had derived from his moneyed transactions, enabled him not only to perceive the true causes of the phenomena in question, but to trace and exhibit their practical bearing and real effect. He began this investigation without intending to lay the result of his researches before the public. But having shown his manuscript to the late Mr. Perry, the proprietor and editor of the *Morning Chronicle*, the latter prevailed upon him, though not without considerable difficulty, to consent to its publication, in the shape of letters, in that journal. The first of these letters appeared on the 6th of September, 1809. They made a considerable impression, and elicited various answers. This success, and the increasing interest of the subject, induced Mr. Ricardo to commit his opinions upon it to the judgment of the public, in a more enlarged and systematic form, in the tract entitled, "*The High Price of Bullion a Proof of the Depreciation of Bank Notes.*" This tract led the way in the far-famed bullion controversy. It issued from the press several months previously to the appointment of the bullion committee; and is believed to have had no inconsiderable effect in forwarding that important measure. In this tract Mr. Ricardo showed that redundancy and deficiency of currency are only *relative* terms; and that so long as the currency of

*See an account of the life of Mr. Ricardo, in the *Annual Obituary* for 1823, supposed to be written by one of his brothers.

any particular country consists exclusively of gold and silver coins, or of paper immediately convertible into such coins, its value can neither rise above nor fall below the value of the metallic currencies of other countries, by a greater sum than will suffice to defray the expense of importing foreign coin or bullion, if the currency be deficient; or of exporting a portion of the existing supply, if it be redundant. But when a country issues inconvertible paper notes, (as was then the case in England.) they cannot be exported to other countries in the event of their becoming redundant at home; and whenever, under such circumstances, the exchange with foreign states is depressed below, or the price of bullion rises above, its mint price, more than the cost of sending coin or bullion abroad, it shows conclusively that too much paper has been issued, and that its value is *depreciated from excess*. The principles which pervade the report of the bullion committee, are substantially the same with those established by Mr. Ricardo in this pamphlet; but the more comprehensive and popular manner in which they are illustrated in the report, and the circumstance of their being recommended by a committee composed of some of the ablest men in the country, gave them a weight and authority which they could not otherwise have obtained. And though the prejudices and ignorance of some, and the interested, and therefore determined, opposition of others, prevented for a while the adoption of the measures proposed by Mr. Ricardo and the committee for restoring the currency to a sound and healthy state, they were afterwards carried into full effect; and afford one of the most memorable examples in our history, of the triumph of principle over selfishness, sophistry, and error.

The *fourth* edition of this tract is the most valuable. An appendix added to it has some acute observations on some difficult questions in the theory of exchange; and it also contains the first germ of the original idea of making bank notes exchangeable for bars of gold bullion.

Among those who entered the lists in opposition to the principles laid down, and the practical measures suggested, in Mr. Ricardo's tract, and in the report of the bullion committee, a prominent place is due to Mr. Bosanquet. This gentleman had great experience as a merchant; and as he professed that the statements and conclusions embodied in his "*Practical Observations*," which are completely at variance with those in the report, were the result of a careful examination of the theoretical opinions of the committee by the test of fact and experiment, they were well fitted to make, and did make, a very considerable impression. The triumph of Mr. Bosanquet was, however, of very short duration. Mr. Ricardo did not hesitate to attack this formidable adversary in his stronghold. His tract, entitled, "*Reply to Mr. Bosanquet's Practical Observations on the Report of the Bullion Committee*," was published in 1811, and is one the best essays that has appeared on any disputed question of political economy. In this pamphlet, Mr. Ricardo met Mr. Bosanquet on his own ground, and overthrew him with his own weapons. He examined all the proofs which Mr. Bosanquet had brought forward, of the pretended discrepancy between the facts stated in his own tract, which he said were consistent with experience; and the theory laid down in the bullion report; and showed that Mr. B. had either mistaken the cases by which he proposed to test the theory, or that the discrepancy was only apparent, and was entirely a consequence of his inability to apply the theory, and not of any thing erroneous or deficient in it. The victory of Mr. Ricardo was perfect and complete; and the elaborate errors and mis-statements of Mr. Bosanquet served only, to use the words of Dr. Coppleston, "to illustrate the abilities of the writer who stepped forward to vindicate the truth."*

First Letter to the right honorable Robert Peel, by one of his constituents, p. 61.

This tract affords a striking example of the ascendancy which those who possess a knowledge both of principle and practice, have over those who are familiar only with the latter; and though the interest of the question which led to its publication has now subsided, it will always be read with delight by such as are not insensible of the high gratification which all ingenious minds must feel in observing the ease with which a superior intellect clears away the irrelevant matter with which a question has been designedly embarrassed, reduces false facts to their just value, and traces and exhibits the constant operation of the same general principle through all the mazy intricacies of practical detail.

The merit of these pamphlets was duly appreciated; and Mr. Ricardo's society was, in consequence, courted by men of the first eminence, who were not less pleased with his modesty, and unassuming manners, than with the vigor of his understanding. He formed, about this time, that intimacy with Mr. Malthus, and Mr. Mill, the historian of British India, which ended only with his death. To the latter he was particularly attached, and readily acknowledged how much he owed to his friendship.

Mr. Ricardo next appeared as an author in 1815, during the discussions on the bill, afterwards passed into a law, for raising the limit at which foreign corn might be imported for consumption, to 80s. Mr. Malthus, and a "Fellow of University College, Oxford," (afterwards Sir Edward West,) had, by a curious coincidence, in tracts published almost consentaneously, elucidated the true theory of rent, which, though discovered by Dr. Anderson as early as 1777, appears to have been entirely forgotten. But neither of these gentlemen perceived the bearing of the theory on the question in regard to the restriction of the importance of foreign corn. This was reserved for Mr. Ricardo, who, in his "*Essay on the Influence of a Low Price of Corn on the Profits of Stock*," showed the effect of an increase in the price of raw produce on wages and profits; and founded a strong argument in favor of the freedom of the corn trade, on the very grounds on which Mr. Malthus had endeavored to show the propriety of subjecting it to fresh restrictions.

In 1816, Mr. Ricardo published his "*Proposals for an Economical and Secure Currency, with Observations on the Profits of the Bank of England*." In this pamphlet he examined the circumstances which determine the value of money, when every individual has the power to supply it, and when that power is restricted or placed under a monopoly; and he showed that, in the former case, its value will depend, like that of all other freely supplied articles, on its cost; while in the latter, it will be unaffected by that circumstance, and will depend on the extent to which it may be issued compared with the demand. This is a principle of great importance; for, it shows that intrinsic worth is not necessary to a currency, and that, provided the supply of paper notes, declared to be legal tender, be sufficiently limited, their value may be maintained on a par with the value of gold, or raised to any higher level. If, therefore, it were practicable to devise a plan for preserving the value of paper on a level with that of gold, without making it convertible into coin at the pleasure of the holder, the heavy expense of a metallic currency would be saved. To effect this desirable object, Mr. Ricardo proposed that, instead of being made exchangeable for gold coins, bank notes should be made exchangeable for *bars of gold bullion of the standard weight and purity*. This plan, than which nothing can be more simple, was obviously fitted to check the over-issue of paper quite as effectually as it is checked by making it convertible into coin; while, as bars could not be used as currency, it prevented any gold from getting into circulation, and consequently saved the expenses of coinage, and the wear and tear, and

loss of coins. Mr. Ricardo's proposal was recommended by the committees of the house of lords and commons, appointed in 1819, to consider the expediency of the Bank of England resuming cash payments; and was afterwards adopted in the bill for their resumption introduced by Mr. (now Sir Robert) Peel. In practice it was found completely to answer the object of checking over-issue. But inasmuch as it required that the place of sovereigns should be filled with one pound notes, the forgery of the latter began to be extensively carried on; and it was wisely judged better to incur the expense of recurring to and keeping up a mixed currency, than to continue a plan which, though productive of a large saving, held out an all but irresistible temptation to crime.

At length, in 1817, Mr. Ricardo published his great work on the "*Principles of Public Economy and Taxation*." This was a step which he did not take without much hesitation. He was not, and did not affect to be, insensible of the value of literary and philosophical reputation; but his modesty always led him to undervalue his own powers; and having acquired a very high degree of celebrity as a writer on currency, he was unwilling to risk what he already possessed, by attempting to gain more. Ultimately, however, he was prevailed upon, by the entreaties of his friends, to allow his work to be sent to press. Its appearance forms a memorable era in the history of political science. Exclusive of many valuable subsidiary inquiries, Mr. Ricardo has pointed out, in this work, the source and limiting principle of exchangeable value, and has traced the laws which determine the distribution of wealth among the various ranks and orders of society. The powers of mind displayed in these investigations, the dexterity with which the most abstruse questions are unravelled, the sagacity displayed in tracing the operation of general principles, in disentangling them from such as are of a secondary and accidental nature, and in perceiving and estimating their remote consequences, have never been surpassed; and will for ever secure the name of Ricardo a conspicuous place among those who have done most to unfold the mechanism of society, and to discover the circumstances on which the well-being of its various orders must always mainly depend.

Mr. Ricardo maintains, in this work, the fundamental principle, that the exchangeable value of commodities or their relative worth, as compared with each other, depends exclusively on *the quantities of labor* necessarily required to produce them, and bring them to market. Smith had shown that this principle determined the value of commodities in the earlier stages of society, before land had been appropriated and capital accumulated; but he supposed that, after land had become property and rent began to be paid, and after capital had been amassed and workmen began to be hired by capitalists, the value of commodities fluctuated not only according to variations in the labor required to produce and bring them to market, but also according to variations of rents and wages. But Mr. Ricardo has shown that this theory is erroneous, and that the value of commodities is determined in all states of society by the same principle, or by the quantity of labor required for their production. He showed that variations of profits or wages, by affecting different commodities to the same, or nearly the same, extent, would either have no influence over their exchangeable value, or if they had any, it would depend upon the degree in which they occasionally affect some products more than others. And Dr. Anderson and others having already shown that rent is not an element of cost or value, it follows that the cost or value of all freely produced commodities, the supply of which may be indefinitely increased (abstracting from temporary variations of supply and demand,) depends wholly on the quantity of labor required for their production, and not upon

the rate at which that labor may be paid; so that, supposing the labor required to produce any number of commodities to remain constant, their cost and value will also remain constant, whether wages fall from 3s. to 1s., or rise from 3s. to 5s. or 7s. a-day. This is the fundamental theorem of the science of value, and the clue which unravels the intricate labyrinth of the laws which regulate the distribution of wealth. Its discovery has shed a flood of light on what was previously shrouded in all but impenetrable mystery, and the apparently knotty and hitherto insoluble questions regarding the action of wages and profits on each other and on prices, have since ceased to present any insuperable difficulties. What the researches of Locke and Smith did for the production of wealth, those of Ricardo have done for its value and distribution.

The establishment of general principles being Mr. Ricardo's great object, he has paid comparatively little attention to their practical application, and sometimes, indeed, he has in great measure overlooked the circumstances by which they are occasionally countervailed. In illustration of this we may mention, that society being laid under the necessity of constantly resorting to inferior soils to obtain additional supplies of food, Mr. Ricardo lays it down that, in the progress of society, raw produce and wages have a constant tendency to rise and profits to fall. And this, no doubt, is in the abstract true. But it must at the same time be observed, that while on the one hand society is obliged constantly to resort to inferior soils, agriculture is on the other hand susceptible of indefinite improvement; and this improvement necessarily in so far countervails the decreasing fertility of the soil; and may, and in fact very frequently does, more than countervail it. Mr. Ricardo has also very generally overlooked the influence of increased prices in diminishing consumption and stimulating industry, so that his conclusions, though true according to his assumptions, do not always harmonise with what really takes place. But his is not a practical work; and it did not enter into his plan to exhibit the circumstances that gave rise to the discrepancies in question. The "*Principles of Political Economy and Taxation*" is not even a systematic treatise, but is principally an inquiry respecting certain fundamental principles, most of which had previously been undiscovered. And though it be often exceedingly difficult, or, it may be, all but impossible, to estimate the extent to which these principles may in certain cases be modified by other principles and combinations of circumstances, it is obviously of the greatest importance to have ascertained their existence. They are so many landmarks to which to refer, and can never be lost sight of even in matters most essentially practical.

That part of Mr. Ricardo's work, in which he applies his principles to discover the incidence of taxes on rent, profit, wages, and raw produce is more practical than the others; and must always be a subject of careful study to those who wish to make themselves well acquainted with this department of political science.

Mr. Ricardo had now become an extensive landed proprietor, and had wholly retired from business, with a fortune acquired with the universal respect and esteem of his competitors. But he did not retire from the bustle of active life to the mere enjoyment of his acres—*non fuit consilium socordia atque desidïa bonum otium conterere*—he had other objects in view; and while his leisure hours, when in the country, were chiefly devoted to inquiries connected with that science, of which he was now confessedly at the head, he determined to extend the sphere of his usefulness, by entering the house of commons. In 1819 he took his seat as member for Portarlington. His diffidence in his own powers had, however, nearly deprived the public of the services which he rendered in this situation. In a letter to one

of his friends, dated the 7th of April, 1819, he says: "You will have seen that I have taken my seat in the house of commons. I fear that I shall be of little use there. I have twice attempted to speak; but I proceeded in the most embarrassed manner; and I have no hope of conquering the alarm with which I am assailed the moment I hear the sound of my own voice."

And in a letter to the same gentleman, dated the 22d of June, 1819, he says: "I thank you for your endeavors to inspire me with confidence on the occasion of my addressing the house. Their indulgent reception of me has, in some degree, made the task of speaking more easy to me; but there are yet so many formidable obstacles to my success, and some, I fear, of a nature nearly insurmountable, that I apprehend it will be wisdom and sound discretion in me to content myself with giving silent votes." Fortunately he did not adopt this resolution. The difficulties with which he had at first to struggle, and his diffidence in himself, gradually subsided; while the mildness of his manners, the mastery which he possessed over the subjects on which he spoke, and the purity of his intentions, speedily secured him a very extensive influence both in the house and the country, and gave great weight to his opinions.

Mr. Ricardo was not one of those who make speeches to suit the ephemeral circumstances and politics of the day: he spoke only from principle, and with a fixed resolution never to diverge in any degree from the path which it pointed out; he neither concealed nor modified an opinion for the purpose of conciliating the favor, or of disarming the prejudices or hostility, of any man or set of men; nor did he ever make a speech or give a vote which he was not well convinced was founded on just principles, and calculated to promote the lasting interests of the public. Trained to habits of profound thinking, independent in his fortune, and inflexible in his principles, Mr. Ricardo had little in common with mere party politicians. The public good was the grand object of his parliamentary exertions; and he labored to promote it, not by engaging in party combinations, but by supporting the rights and liberties of all classes, and by unfolding the true sources of national wealth and general prosperity.

The change that has taken place in public opinion respecting the financial and commercial policy of the country, since the period when Mr. Ricardo obtained a seat in the house of commons, is as complete as it is gratifying. Not only are the most enlarged principles advocated by all the leading members of both houses; not only are they now ready to admit that the exclusive system is founded on vicious principles, and that it is sound policy to admit the freest competition in every branch of industry, and to deal with all the world on fair and liberal principles; but they are about to make these doctrines a part of the law of the land, and to give them the sanction of parliamentary authority. Sir Robert Peel has the signal merit of having, despite the most formidable obstacles, carried out and established in their fullest extent the great principles of commercial freedom developed by Smith and his followers. And we believe that that distinguished statesman would readily admit that the writings and speeches of Mr. Ricardo have powerfully contributed to pave the way for this most desirable consummation. As he was known to be a master in "the master-science of civil life," his opinion, from the moment he entered the house of commons, was referred to on all important occasions;* and he acquired additional influence and con-

* Mr. Ricardo made the first of his prominent appearances on the 24th of May, 1819, in the debate on the resolutions proposed by Mr. (now Sir Robert) Peel respecting the resumption of cash payments. He did not rise until he was loudly called upon from all sides of the house.

sideration, according as experience served to render the house and the country better acquainted with his talents, and his singleness of purpose.

In 1820, Mr. Ricardo contributed an article on the "*funding system*," to the supplement to the "*Encyclopædia Britannica*." This tract, though somewhat confused in its arrangement, embraces many valuable discussions. He was a decided friend to the plan for raising the supplies for a war within the year, by an equivalent increase of taxation; and he also thought (in which opinion few probably will be disposed to concur,) that it would be not only expedient but practicable to pay off the public debt by an assessment on capital.

In 1822, Mr. Ricardo published, during the parliamentary discussions on the subject of the corn laws, his tract on "*Protection to Agriculture*." This is the best of all his pamphlets, and is, indeed, a *chef-d'œuvre*. The important questions respecting remunerating price, the influence of a low and high value of corn over wages and profits, the influence of taxation over agriculture and manufactures, and many other topics of equal difficulty and interest, are all discussed in the short compass of eighty or ninety pages, with a precision and clearness that leaves nothing to be desired. Had Mr. Ricardo never written any thing else, this pamphlet would have placed him in the first rank of political economists.

Though not robust, Mr. Ricardo's constitution was apparently good, and his health such as to promise a long life of usefulness. He had, indeed, been subject, for several years, to an affection in one of his ears; but as it had not given him any serious inconvenience, he paid it but little attention. When he retired to his seat in Gloucestershire (Gatcomb Park,) subsequently to the close of the session of 1823, he was in excellent health and spirits; and, besides completing a tract, containing a plan for the establishment of a *National Bank*, he engaged, with his usual ardor, in elaborate inquiries regarding some of the more abstruse economical doctrines. But he was not destined to bring these inquiries to a close! Early in September he was suddenly seized with a violent pain in the diseased ear: the symptoms were not, however, considered unfavorable; and the breaking of an imposthume that had been formed within the ear contributed greatly to his relief. But the amendment was only transitory; within two days, inflammation recommenced; and after a period of the greatest agony, pressure on the brain ensued, which produced a stupor that continued until death terminated his sufferings, on the 11th September, 1823, in his 52d year.

In private life, Mr. Ricardo was most amiable. He was an indulgent father and husband; and an affectionate, and zealous friend. No man was ever more thoroughly free from every species of artifice and pretension; more sincere, plain and unassuming. He was particularly fond of assembling intelligent men around him, and of conversing in the most unrestrained manner on all topics of interest, but more especially on those connected with his favorite science. On these as on all occasions, he readily gave way to others, and never discovered the least impatience to speak; but when he did speak, the solidity of his judgment, his candor, and his extraordinary talent for resolving a question into its elements, and for setting the most difficult and complicated subjects in the most striking point of view, arrested the attention of every one, and delighted all who heard him. He never entered into an argument, whether in public or private, for the sake of displaying ingenuity, of baffling an opponent, or of gaining a victory. The discovery of truth was his exclusive object. He was ever open to conviction; and if he were satisfied he had either advanced or supported an erroneous opinion, he was the first to acknowledge his error, and to caution others against it.

Few men have possessed in a higher degree than Mr. Ricardo, the talent of speaking and conversing with clearness and facility on the most abstruse topics. In this respect, his speeches were greatly superior to his publications. The latter cannot be readily understood and followed without considerable attention; but nothing could exceed the ease and felicity with which he illustrated and explained the most difficult questions of political economy, both in private conversation and in his speeches. Without being forcible, his style of speaking was easy, fluent, and agreeable. It was impossible to take him off his guard. To those who were not familiar with his speculations, some of his positions were apt to appear paradoxical; but the paradox was only in appearance. He rarely advanced an opinion on which he had not deeply reflected, and without examining it in every point of view; and the readiness with which he overthrew the most specious objections that the ablest men in the house could make to his doctrines, is the best proof of their correctness, and of the superiority of his understanding. That there were greater orators, and men of more varied and general acquirements in parliament than Mr. Ricardo, we readily allow; but we are bold to say, that in point of deep, clear, and comprehensive intellect, he had no superiors, and very few, if any, equals, either in parliament or in the country.

He was not less generous than intelligent; he was never slow to come forward to the relief of the poor and distressed; and while he contributed to almost every charitable institution in the metropolis, he supported, at his own expense, an alms-house for the poor, and two schools for the instruction of the young in the vicinity of his seat in the country.

Besides the publications previously enumerated, Mr. Ricardo left one or two manuscripts. Among others, a "*Plan for the Establishment of a National Bank*" was found in a finished state, and was soon after published.

He also left "*Notes*" on Mr. Malthus' Principles of Political Economy; containing a vindication of his own doctrines from the objections of Mr. Malthus, and showing the mistakes into which he conceives Mr. M. has fallen. But we doubt whether they have sufficient interest to warrant their publication.

Though not properly belonging to the whig party, Mr. Ricardo voted almost uniformly with the opposition. He was impressed with the conviction, that many advantages would result from giving the people a greater influence over the choice of their representatives in the house of commons than they then possessed; and he was so far a friend to the system of the radical reformers, as to give his cordial support to the plan of voting by ballot; which he considered as the best means for securing the mass of the electors against improper solicitations, and for enabling them to vote in favor of the candidates whom they really approved. He did not, however, agree with the radical reformers in their plan of universal suffrage; he thought the elective franchise should be given to all who possessed a certain amount of property; but he was of opinion, that while it would be a very hazardous experiment, no practical good would result from giving the franchise indiscriminately to all. His opinions on these subjects are fully stated in the *Essay on Parliamentary Reform* and in the *Speech on the Ballot*, in this edition of his works, (London, 1846, one vol. 8vo.)

Of the value of the services rendered by Mr. Ricardo to political economy, there can be, among intelligent men, only one opinion. His works have made a very great addition to the mass of useful and universally interesting truths, and afford some of the finest examples to be met with of discriminating analysis, and of profound and refined discussion. The brevity with which he has stated some of his most important propositions; their inti-

mate dependence on each other; the fewness of his illustrations; and the mathematical cast he has given to his reasoning, render it sometimes a little difficult for readers, unaccustomed to such investigations, readily to follow him. But we can venture to affirm, that those who will give to his works the attention of which they are so worthy, will find them to be as logical and conclusive as they are profound and important. It was the opinion of Quintilian, that the students of eloquence who were highly delighted with Cicero, had made no inconsiderable progress in their art; and the same may, without hesitation, be said of the students of Political Economy who find pleasure in the works of Mr. Ricardo: *Ille se profecisse sciat, cui Ricardo valde placebit.*

When the circumstances under which Mr. Ricardo spent the greater part of his life are brought under view; and when it is also recollected that he died at the early age of *fifty one*, it may be truly said that very few have ever achieved so much. His industry was as remarkable as his sagacity and his candor.

"The history of Mr. Ricardo," to use the words of Mr. Mill, "holds out a bright and inspiring example. Mr. Ricardo had every thing to do for himself; and he did every thing. Let not the generous youth, whose aspirations are higher than his circumstances, despair of attaining either the highest intellectual excellence, or the highest influence on the welfare of his species, when he recollects in what circumstances Mr. Ricardo opened, and in what he closed, his memorable life. He had his fortune to make; his mind to form; he had even his education to commence and conduct. In a field of the most intense competition, he realised a large fortune, with the universal esteem and affection of those who could best judge of the honor and purity of his acts. Amid this scene of active exertion and practical detail, he cultivated and he acquired habits of intense, and patient, and comprehensive thinking; such as have been rarely equalled, and never excelled."

Mr. Ricardo left a widow, three sons, and four daughters.

MISCELLANEOUS.

COUNTERFEIT NOTES.—An extensive system of fraud is at this time carried on in counterfeit notes of the Canal Bank of New Orleans, of the denomination of \$100. A few days ago we noticed a counterfeit upon this bank, and we now have information that the rogues have so altered their issues as to vary them from the description we then gave. The principal agent in this state, and who has been very successful in giving them circulation, is a fellow who professes to be a southern planter, purchasing negroes for his plantation. Under this pretence he has succeeded in passing off several hundred dollars on steamboats and hotel-keepers on the Missouri, and subsequently, succeeded in purchasing three or four negroes for this kind of money. One gentleman was in the city yesterday with \$500 which he had received in payment for a negro.

The new counterfeit is of the following description: the vignette is that of a female standing up, with her right arm resting on a bale of cotton—steamboat and ship in the back ground. It is well calculated to deceive any but the best judges. The bank has no plate with any such vignette.—*St. Louis Repub*, March 4.

FLUCTUATIONS OF THE ENGLISH FUNDS.

Highest and Lowest Prices of the Principal Funds of the London Market, from November, 1846, to October, 1847.

Bank	3 per ct. 3 per ct. an- Stock. reduced. consols. Nuities, 3½ per ct. 5 per ct. exp. 30 years, 30 years, 1860. exp. 1859, exp. 1860.	New	Long an- nuities, 30 years, 1860.	Long an- nuities, 30 years, 1860.	India	South	Exchequer				
1846—7.							bills £ 1000.				
1846: November.....	206½	93½	95	94	95½	118	94	101½	258	103½	14s. at 1½d.
204	93½	94	94	95½	118	9	9	10	255	103½	6 pm.
December.....	207½	94½	95½	94½	96½	121	9½	10½	254½	105½	14
205	93½	95	94½	93½	121	9	9	10	254½	104½	8
1847: January.....	206½	94	93½	91½	95½	114	9½	9½	254½	103½	15
203½	90½	91½	91	93	114	9	9	9	249	100	5
February.....	205	91½	91½	89½	92½	9	9½	9½	251	101½	10
202½	90½	90½	89½	92½	9	9	9½	9	249	100½	par.
March.....	205½	91½	90½	88½	93½	9	9½	9½	251	99½	7
203½	90½	88½	88½	90½	9	9	9½	9½	250	99½	1
April.....	200½	87½	88½	85½	88½	118	9½	8½	246½	97½	10 at 2d.
190	84½	85½	85½	86	118	8½	8½	9½	244	95½	1
May.....	196	87½	87½	85½	89½	117	9	8½	244	98½	10 dis.
188	85½	86½	85½	87	117	8½	8½	9	240	96½	par.
June.....	197½	89½	88½	87½	91½	118	9½	9½	246	97½	12 pm.
195	86½	87½	87½	88½	113	9	8½	9½	246	97½	3
July.....	198	89½	89½	87½	91½	115	9½	8½	246½	98½	15
195	88½	88	86½	86½	90½	115	9	8½	244	97½	10
August.....	198	89	88½	88½	90½	118	9½	8½	244	98½	10
195	86½	86½	86½	86½	88½	118	9	8½	239	95½	2
September.....	197½	88½	87½	87½	89½	112	9½	8½	241	97½	17
195½	86½	85½	85½	87½	88½	112	9	8½	236	97½	11
October.....	186	82½	85½	85½	83½	115	8½	8½	238	97½	par.
180	78½	79½	79½	79½	79½	115	8	7½	238	97½	30 dis.

FLUCTUATIONS IN CONSOLS SINCE 1822.

The following parliamentary paper, showing the highest, and the lowest, and the mean price of three per cent. consols, during each year, in the 25 years ending the 5th April, 1847, has just been issued:

From	To	Date	Highest price.		Date	Lowest price.		Mean price.	
			£	s. d.		£	s. d.	£	s. d.
April 6.	April 5.								
From 1822 to 1823	1822, Oct. 26..	83	2	6	1823, March 1..	72	0	0	77 11 3
" 1823 to 1824	1823, Dec. 30..	87	5	0	1823, April 8..	74	0	0	80 12 6
" 1824 to 1825	1824, April 28..	97	5	0	1824, July 21..	91	2	6	94 3 9
" 1825 to 1826	1825, April 6..	98	10	0	1826, Feb. 14..	73	17	6	83 13 9
" 1826 to 1827	1826, Nov. 18..	84	12	6	1826, July 20..	76	10	0	80 11 3
" 1827 to 1828	1827, Aug. 1..	89	12	6	1827, May 4..	81	15	0	85 13 9
" 1828 to 1829	1828, June 28..	89	12	6	1828, April 10..	83	10	0	86 0 0
" 1829 to 1830	1829, Dec. 30..	95	15	0	1829, May 1..	86	10	0	91 2 6
" 1830 to 1831	1830, April 12..	93	17	6	1831, Mar. 10..	74	12	6	84 5 0
" 1831 to 1832	1831, May 31..	84	17	6	1831, April 27..	78	2	6	81 10 0
" 1832 to 1833	1833, Jan. 5..	89	0	0	1832, July 23..	82	10	0	85 15 0
" 1833 to 1834	1834, March 5..	91	15	0	1833, Oct. 14..	86	10	0	89 2 6
" 1834 to 1835	1834, June 3..	93	5	0	1834, Aug. 29..	89	0	0	91 2 6
" 1835 to 1836	1835, April 23..	93	2	6	1835, Aug. 11..	89	2	6	91 2 6
" 1836 to 1837	1836, July 13..	93	0	0	1836, Nov. 22..	86	12	6	89 16 3
" 1837 to 1838	1837, Nov. 30..	94	2	6	1837, April 13..	90	5	0	92 3 9
" 1838 to 1839	1838, June 29..	95	10	0	1839, Feb. 7..	91	17	6	93 13 9
" 1839 to 1840	1839, June 12..	94	2	6	1839, Sept. 3..	89	5	0	91 13 9
" 1840 to 1841	1840, June 3..	93	10	0	1840, Oct. 8..	85	15	0	89 12 6
" 1841 to 1842	1841, April 15..	90	12	6	1841, Oct. 11..	87	2	6	88 17 6
" 1842 to 1843	1843, Mar. 10..	97	5	0	1842, July 15..	90	2	6	93 13 9
" 1843 to 1844	1844, April 4..	99	17	6	1843, June 8..	92	2	6	96 0 0
" 1844 to 1845	1844, Dec. 2..	101	7	6	1844, June 13..	97	17	6	99 12 6
" 1845 to 1846	1845, June 3..	100	12	6	1845, Dec. 13..	91	17	6	96 5 0
" 1846 to 1847	1846, May 28..	97	5	0	1847, Mar. 15..	87	17	6	92 11 3

The above table has been prepared by Messrs. Mullens, Marshall & Co., the stock-brokers to the commissioners for the reduction of the national debt.

SPECIE.—The following table will show the shipments of specie from New York, as indicated by the clearances at the custom house, to 11th March, 1848:

Ship Baltimore, Havre, 5 francs.....	\$ 22,000
Do. do. French gold.....	1,500
do. do. Mexican dollars.....	54,000
Ship Yorktown, London, sovereigns.....	25,000
Ship Bavaria, Havre, 5 francs.....	90,195
Do. do. Mexican dollars.....	37,400
Barque Hecla, Matanzas, Spanish dollars.....	16,350
Total for the week.....	246,445
Shipments Jan. 1 to March 4.....	2,285,200
Total for 70 days, 1848.....	\$ 2,531,645

THE LOAN OF FIVE MILLIONS.—The bids were opened yesterday by the acting secretary of the treasury, in the presence of the secretary of the treasury, solicitor, auditor, comptroller, commissioner of the land office, &c., and attending clerk. The loan was awarded, of course, to the highest bidders, who, for the principal amounts, were N. M. Rothschild & Sons, of London, (jointly with Corcoran & Riggs,) John S. Riddle, C. Macalester, and E. W. Clark & Co., &c., &c. The Messrs. Rothschild and Corcoran & Riggs bid for the whole loan at a premium of 1.26, but obtained only between three and four million of this amount, by preference, in the six per cent. stock. The total premium paid in and realised was about \$65,000, which is a handsome addition to the miscellaneous receipts of this month. The sale is above the full average market price, ranging from 2 to 1.26 per cent. premium. We are glad to see the Messrs. Rothschilds again investing in American securities. It shows the confidence which the principal bankers of the European world place in the American stocks. It enables us to profit by foreign capital; and in the same proportion it relieves our money market and our banks from a pressure on account of this loan. The total amount of the bids offered was \$17,000,000.—*Union*, March 9.

Various statements of the distribution of the five million loan having been published, which were incorrect, Mr. Thompson of the *Bank Note Reporter*, furnishes the following table, which shows to whom the loan has been awarded, and the amount of premium obtained:

To the State of Alabama, for account of her sinking fund.....	\$1,000,000 at par.
" J. Thompson, broker, New York.....	500,000 "
" Augustus Belmont.....	200,000 "
" M. Morgan, banker.....	170,000 "
" Corning & Co., bankers.....	50,000 "
" Various parties in small amounts.....	80,000 1 3/4 @ 2 p.
" John S. Riddle, Philadelphia.....	500,000 1 @ 1-100
" C. Macalester & E. W. Clark.....	250,000 1 1/2
" do. do.	100,000 1 26-100
The balance, 3-5ths to Rothschilds, and 2-5ths to Corcoran & Riggs	2,350,000 1 26-100

Total amount..... \$ 5,200,000

That portion which bears no premium, was taken by agreement, made by the secretary of the treasury, some thirty or forty days ago, while treasury notes and United States sixes were yet below par.

RESUMPTION IN MARYLAND.—The London Morning Chronicle says, "we have often had occasion to refer to the delinquency of the North American states that have contracted loans in this country and to deplore the individual privations and sufferings, their delinquency has induced, as well as the bitter, contemptuous feelings it has excited towards the United States itself. The great number of sufferers, in the middle classes here, gives force and extent to these feelings; and it is, therefore, with much satisfaction that we find ourselves called on to notice that the State of Maryland has resumed the payments of its dividends. We hope that Arkansas, Florida, Illinois, Indiana, Michigan and Mississippi, may follow the example of Maryland."

BANK BOBBERY.—On Tuesday last, between 10 and 1 o'clock, some scoundrel entered the City Bank, on Camp street, near Common, and stole from the private vault of the cashier, Robert J. Palfrey, Esq., a bag containing 271 doubloons, valued at \$4,320. The money, which was the property of Mr. Palfrey's cousins, who had just arrived from Mexico, was deposited on the day before, as a special deposit, and placed on the top of the iron chest, where it was supposed that it would be certainly safe.—*N. O. Delta*, 9th March, 1848.

EXCHANGE BANK OF VIRGINIA.—The cashier's vault of the Exchange Bank of Virginia, at Petersburg, was clandestinely entered, on or about the 9th March, and fifteen thousand dollars stolen therefrom, in their own branch notes, believed to be in the issues of \$100, \$50, \$20 and \$15. A reward of one thousand dollars has been offered by the bank for the discovery and conviction of the offender—and ten per cent. will be paid on whatever portion of the money may be recovered.

ATTEMPTED ROBBERY.—On the 10th March, about one o'clock, as the porter of the Mechanics and Traders' Bank of New York was passing along in the neighborhood of Division street, having in his possession \$21,700, which he was taking to another bank for the purpose of exchanging, a stout man came behind him and suddenly snatched the money out of his hand and ran away. The porter pursued him and cried stop thief, and several persons attempted to stop him, all of whom the rascal knocked down as fast as they approached him, and the latter continued his course until he came in contact with a policeman, who proved too much for him, and he was captured. The money was all recovered.—*N. Y. Courier.*

THE MERCHANTS' BANK CASE.—The supreme court delivered the opinion of the court upon the question of the Merchants' Bank of Boston, versus the New Jersey Steam Navigation Company. The judgment of the circuit court is affirmed.

The opinion was read by judge Nelson, and is very elaborate; nearly an hour was occupied in reading. The decision of the court below, was, that the carriers should pay for the specie, for the safe carriage of which Harnden & Co. had receipted. The special contract of Harnden & Co. was with the steamboat company.

They agreed to pay \$250 a month for the carriage of a crate of specified dimensions, upon the conditions that the company should not be responsible for the safe carriage or delivery of any articles carried on board the steamboats between New York and Providence. They were required to advertise, and to attach to their bills of lading, a notice to this effect. Notwithstanding this, the court decided that the owners of the steamer were responsible, and they give this decision upon the ground that there was gross carelessness on board the Lexington.

They say that she was on fire on the voyage before—that there was a box of goods partially consumed then—that on the last voyage bales of cotton were placed in close proximity to the boilers—that the engine was in one place below, the hose in another—that the fire buckets were few and good for nothing—that the specie boxes were used for water buckets—that iron tiller ropes were not used according to the requisitions of the law of congress—that no heed was paid to many provisions of this law, and that in fine, therefore, the respondents are liable.

Judge Catron and judge Woodbury dissented from some of the reasons and conclusions embodied in the opinion of the court as to the admiralty powers of the court.—*N. Y. Express.*

✂ A case against the Long Island R. R. Co., somewhat similar to the above, will be reported in our next No.

NEW BANK IN MARYLAND.—A bill was passed at the late session of the legislature authorising the establishment of the "Valley Bank of Maryland," at Hagerstown.

A new bank has been established in Pennsylvania, under the title of the "Farmers Bank of Schuylkill Co." capital \$100,000 (see page 622) location Schuylkill Haven, *president* George Rahn, *cashier* J. W. Clark.

Notes on the Money Market.

New York, March 20th, 1848.

Since the publication of our last No., sterling exchange has receded about one half per cent. Good bills may now be had in Wall street, at 109. But some drawers demand 109½. There has been a continued stricture in the money market at Boston, since December last, and but little relief is yet experienced. This scarcity arises from large investments in heavy undertakings out of the state by Boston capitalists. The copper mines of Lake Superior, the rail roads of Maryland, Virginia and Georgia, and similar enterprises in other states have absorbed a large portion of that surplus capital which has hitherto been idle or employed in temporary loans at Boston. The temptation of large gains and good dividends draws redundant capital to remote points.

Five millions of the new treasury loan have been taken, as will be seen by a previous column, at rates which show confidence among capitalists in approaching peace. English capitalists have embarked in the subscription to the new loan, and this we consider as one of the most agreeable financial features of the month. Foreign capital was, by one of our prominent ultra politicians, considered an intrusive influence and to be avoided. There is now prevailing a more liberal feeling and a belief that British capital will not bring the business and institutions of this country "*within the influence of the money power of England.*" Two hundred millions of foreign capital have contributed largely to the growth, development and resources of every state in the union: we would be glad to see a like amount from the same sources imported upon *bonds and mortgage.*

The banks have specie enough at this time to meet ordinary contingencies. There is a cessation of shipments of coin to Europe, and we need not fear any further shipments while sterling bills remain as at present quotations.

The annual report of the Pennsylvania banks is given in this No. The statements are prepared in such a manner that we cannot ascertain the actual amount of specie on hand among them. Specie and treasury notes are included under the same head, and the printed synopsis issued at Harrisburg, is full of gross errors. Among these errors, we may mention that the sum of \$1,090,035, is set down as "exchange and interest" when, in fact, nearly every dollar of it belongs to "bills of exchange." An error of \$212,000 also occurs in the recapitulation of the statement of the Bank of Pennsylvania. The auditor's report is generally so full of typographical errors that no reliance can be placed upon it.

FOREIGN EXCHANGES.

London.....	109 @ 109½	Hamburg.....	35½ @ 35½
Paris.....	5,25 @ 5,23½	Bremen.....	78½ @ 78½
Amsterdam.....	40½ @ 40½		

DOMESTIC EXCHANGES.

Boston.....	@ 1 dis.	Mobile.....	1 @ 1½ dis.
Philadelphia.....	@ 1 " "	New Orleans.....	½ @ 1 " "
Baltimore.....	½ @ 1 " "	Nashville.....	3 @ " "
Richmond.....	2 @ 2½ " "	St. Louis.....	2 @ 2½ " "
Wilmington, N. C.....	@ 2½ " "	Louisville.....	2 @ 2½ " "
Charleston.....	1½ @ 1½ " "	Cincinnati.....	1½ @ 2 " "
Savannah.....	1½ @ 2 " "	Pittsburgh.....	1 @ " "
Augusta.....	1½ @ 2 " "	Detroit.....	2½ @ 3 " "
Columbus.....	2 @ " "	Buffalo.....	1½ @ " "
Apalachicola.....	2 @ 2½ " "	Albany.....	½ @ " "

THE
BANKERS' MAGAZINE,
AND
State Financial Register.

VOL. II.

MAY, 1848.

NO. XI.

ON THE WANT OF MONEY.

From the London Monthly Magazine.

It is hard to be without money. To get on without it is like travelling in a foreign country without a passport—you are stopped, suspected, and made ridiculous at every turn, besides being subjected to the most serious inconveniences. The want of money I here allude to is not altogether that which arises from absolute poverty—for where there is a downright absence of the common necessities of life, this must be remedied by incessant hard labor, and the least we can receive in return is a supply of our daily wants—but that uncertain, casual, precarious mode of existence, in which the temptation to spend remains after the means are exhausted, the want of money joined with the hope and possibility of getting it, the intermediate state of difficulty and suspense between the last guinea or shilling and the next that we may have the good luck to encounter. This gap, this unwelcome interval constantly recurring, however shabbily got over, is really full of many anxieties, misgivings, mortifications, meannesses, and deplorable embarrassments of every description. I may attempt (this essay is not a fanciful speculation) to enlarge upon a few of them.

It is hard to go without one's dinner through sheer distress, but harder still to go without one's breakfast. Upon the strength of that first and aboriginal meal, one may muster courage to face the difficulties before one, and to dare the worst: but to be roused out of one's warm bed, and perhaps a profound oblivion of care, with golden dreams (for poverty does not prevent golden dreams,) and told there is nothing for breakfast, is cold comfort for which one's half-strung nerves are not prepared, and throws a damp upon the prospects of the day. It is a bad beginning. A man without a breakfast is a poor creature, unfit to go in search of one, to meet the frown of the world, or to borrow a shilling of a friend. He may beg at the corner of a street—nothing is too mean for the tone of his feelings—robbing on the highway is out of the question, as requiring too much courage; and some opinion of a man's self. It is, indeed, as old Fuller, or some worthy of that

age, expresses it, "the heaviest stone which melancholy can throw at a man," to learn, the first thing after he rises in the morning, or even to be dunned with it in bed, that there is no loaf, tea, or butter in the house, and that the baker, the grocer, and buttermilk man have refused to give any farther credit. This is taking one sadly at a disadvantage. It is striking at one's spirit and resolution in their very source, the stomach—it is attacking one on the side of hunger and mortification at once; it is casting one into the very mire of humility and slough of despond. The worst is, to know what face to put upon the matter, what excuse to make to the servants, what answer to send to the tradespeople; whether to laugh it off, or be grave, or angry, or indifferent; in short, to know how to parry off an evil which you cannot help. What a luxury, what a God-send in such a dilemma, to find a half-crown which had slipped through a hole in the lining of your waistcoat, a crumpled bank note in your breeches pocket, or a guinea clinking in the bottom of your trunk, which had been thoughtlessly left there out of a former heap! Vain hope! Unfounded illusion! The experienced in such matters know better, and laugh in their sleeves at so improbable a suggestion. Not a corner, not a cranny, not a pocket, not a drawer has been left unrummaged, or has not been subjected over and over again to more than the strictness of a custom-house scrutiny. Not the slightest rustle of a piece of bank paper, not the gentlest pressure of a piece of hard metal, but would have given notice of its hiding place with electrical rapidity, long before, in such circumstances. All the variety of pecuniary resources, which form a legal tender on the current coin of the realm, are assuredly drained, exhausted to the last farthing before this time. But is there nothing in the house that one can turn to account? Is there not an old family-watch, or piece of plate, or a ring, or some worthless trinket that one could part with? nothing belonging to one's-self or a friend, that one could raise the wind upon, till something better turns up? At this moment an old clothes-man passes, and his deep, harsh tones sound like an intended insult on one's distress, and banish the thought of applying for his assistance, as one's eye glanced furtively at an old hat or a great coat, hung up behind a closet-door. Humiliating contemplations! Miserable uncertainty! One hesitates, and the opportunity is gone by; for without one's breakfast, one has not the resolution to do any thing! The late Mr. Sheridan was often reduced to this unpleasant predicament. Possibly he had little appetite for breakfast himself; but the servants complained bitterly on this head, and said that Mrs. Sheridan was sometimes kept waiting for a couple of hours, while they had to hunt through the neighborhood, and beat up for coffee, eggs, and French rolls. The same perplexity in this instance appears to have extended to the providing for the dinner; for so sharp-set were they, that to cut short a debate with a butcher's apprentice about leaving a leg of mutton without the money, the cook clapped it into the pot: the butcher's boy, probably used to such encounters, with equal coolness took it out again, and marched off with it in his tray in triumph. It required a man to be the author of *THE SCHOOL FOR SCANDAL*, to run the gauntlet of such disagreeable occurrences every hour of the day. There was one comfort, however, that poor Sheridan had: he did not foresee that Mr. Moore would write his life.

Taylor, of the Opera-House, used to say of Sheridan, that he could not pull off his hat to him in the street without its costing him fifty pounds; and if he stopped to speak to him, it was a hundred. No one could be a stronger instance than he was of what is called *living from hand to mouth*. He was always in want of money, though he received vast sums which he must have disbursed; and yet nobody can tell what became of them, for he

paid no body. He spent his wife's fortune (sixteen hundred pounds) in a six weeks' jaunt to Bath, and returned to town as poor as a rat. Whenever he and his son were invited out into the country, they always went in two post-chaises and four; he in one, and his son Tom following in another. This is the secret of those who live in a round of extravagance, and are at the same time always in debt and difficulty—they throw away all the ready money they get upon any new fangled whim or project that comes in their way, and never think of paying off old scores, which of course accumulate to a dreadful amount. "Such gain the cap of him who makes them fine, yet keeps his book uncrossed." Sheridan once wanted to take Mrs. Sheridan a very handsome dress down into the country, and went to Barber and Nunn's to order it, saying he must have it by such a day, but promising they should have ready money. Mrs. Barber (I think it was) made answer that the time was short, but that ready money was a very charming thing, and that he should have it. Accordingly, at the time appointed she brought the dress, which came to five-and-twenty pounds, and it was sent in to Mr. Sheridan, who sent out a Mr. Grimm, (one of his jackalls,) to say he admired it exceedingly, and that he was sure Mrs. Sheridan would be delighted with it, but he was sorry to have nothing under a hundred pound bank note in the house. She said she had come provided for such an accident, and could give change for a hundred, two hundred, or five hundred pound note, if it were necessary. Grimm then went back to his principal for further instructions: who made an excuse that he had no stamped receipt by him. For this, Mrs. B. said, she was also provided; she had brought one in her pocket. At each message, she could hear them laughing heartily in the next room at the idea of having met with their match for once; and presently after, Sheridan came out in high good humor, and paid her the amount of her bill, in ten, five, and one pounds. Once when a creditor brought him a bill for payment, which had often been presented before, and the man complained of its soiled and tattered state, and said he was quite ashamed to see it, "I'll tell you what I'd advise you to do with it, my friend," said Sheridan, "take it home, and write it upon parchment!" He once mounted a horse which a horse-dealer was showing off near a coffee-house at the bottom of St. James' street, rode it to Tattersall's, and sold it, and walked quietly back to the spot from which he set out. The owner was furious, swore he would be the death of him; and, in a quarter of an hour afterwards they were seen sitting together over a bottle of wine in the coffee-house, the horse-jockey with the tears running down his face at Sheridan's jokes, and almost ready to hug him as an honest fellow. Sheridan's house and lobby were beset with duns every morning, who were told that Mr. Sheridan was not yet up, and shown into the several rooms on each side of the entrance. As soon as he had breakfasted, he asked, "Are those doors all shut, John?" and, being assured they were, marched out very deliberately between them, to the astonishment of his self-invited guests, who soon found the bird was flown. I have heard one of his old city friends declare, that such was the effect of his frank, cordial manner, and insinuating eloquence, that he was always afraid to go to ask him for a debt of long standing, lest he should borrow twice as much. A play had been put off one night, or a favorite actor did not appear, and the audience demanded to have their money back again: but when they came to the door, they were told by the check-takers there was none for them, for that Mr. Sheridan had been in the meantime, and had carried off all the money in the till. He used often to get the old cobbler who kept a stall under the ruins of Drury Lane to broil a beef-steak for him, and take their dinner together. On the night that Drury Lane was burnt down, Sheridan

was in the house of commons, making a speech, though he could hardly stand without leaning his hands on the table, and it was with some difficulty he was forced away, urging the plea, "What signified the concerns of a private individual, compared to the good of the state?" When he got to Covent Garden, he went into the piazza coffee-house, to steady himself with another bottle, and then strolled out to the end of the piazza to look at the progress of the fire. Here he was accosted by Charles Kemble and Fawcett, who complimented him on the calmness with which he seemed to regard so great a loss. He declined this praise, and said—"Gentlemen, there are but three things in human life that in my opinion ought to disturb a wise man's patience. The first of these is bodily pain, and that (whatever the ancient stoics may have said to the contrary) is too much for any man to bear without flinching: this I have felt severely, and I know it to be the case. The second is the loss of a friend whom you have dearly loved; that, gentlemen, is a great evil: this I have also felt, and I know it to be too much for any man's fortitude. And the third is the consciousness of having done an unjust action. That, gentlemen, is a great evil, a very great evil, too much for any man to endure the reflection of; but that" (laying his hand upon his heart,) "but that, thank God, I have never felt!" I have been told that these were nearly the very words, except that he appealed to the *mens conscia recti* very emphatically three or four times over, by an excellent authority, Mr. Mathews the player, who was on the spot at the time, a gentleman whom the public admire deservedly, but with whose real talents and nice discrimination of character his friends only are acquainted. Sheridan's reply to the watchman who had picked him up in the street, and who wanted to know who he was, "I am Mr. Wilberforce!"—is well known, and shows that, however frequently he might be at a loss for money, he never wanted wit!

The going without a dinner is another of the miseries of wanting money, though one can bear up against this calamity better than the former, which really "blights the tender blossom and promise of the day." With one good meal, one may hold a parley with hunger and moralize upon temperance. One has time to turn one's self and look about one—to "screw one's courage to the sticking place," to graduate the scale of disappointment, and stave off appetite till supper-time. You gain time, and time in this weather-cock world is every thing. You may dine at two, or at six, or seven—as most convenient. You may, in the meanwhile, receive an invitation to dinner, or some one (not knowing how you are circumstanced) may send you a present of a haunch of venison or a brace of pheasants from the country, or a distant relation may die and leave you a legacy, or a patron may call and overwhelm you with his smiles and bounty,

"As kind as kings upon their coronation-day;"

or there is no saying what may happen. One may wait for dinner—break-fast admits of no delay, of no interval interposed between that and our first waking thoughts.* Besides, there are shifts and devices, shabby and mortifying enough, but still available in case of need. How many expedients are there in this great city (London,) time out of mind and times without number, resorted to by the dilapidated and thrifty speculator, to get through this grand difficulty without utter failure! One may dive into a cellar, and dine on boiled beef and carrots for ten-pence, with the knives and forks chained to the table, and jostled by greasy elbows that seem to make such a precaution not unnecessary (hunger is proof against indigni-

* In Scotland, it seems, the draught of ale or whiskey with which you commence the day, is emphatically called "taking your morning."

ty!)—or one may contrive to part with a superfluous article of wearing apparel, and carry home a mutton-chop and cook it in a garret; or one may drop in at a friend's at the dinner-hour, and be asked to stay or not; or one may walk out and take a turn in the Park, about the time, and return home to tea, so as at least to avoid the sting of the evil—the appearance of not having dined. You then have the laugh on your side, having deceived the gossips, and can submit to the want of a sumptuous repast without murmuring, having saved your pride, and made a virtue of necessity. I say all this may be done by a man without a family (for what business has a man without money with one? See *English Malthus and Scotch Macculloch*) and it is only my intention here to bring forward such instances of the want of money as are tolerable both in theory and practice. I once lived on coffee (as an experiment) for a fortnight together, while I was finishing the copy of a half-length portrait of a Manchester manufacturer, who had died worth a plum. I rather slurred over the coat, which was a reddish brown, “of formal cut,” to receive my five guineas, with which I went to market myself, and dined on sausages and mashed potatoes, and while they were getting ready, and I could hear them hissing in the pan, read a volume of *Gil Blas*, containing the account of the fair Aurora. This was in the days of my youth. Gentle reader, do not smile! Neither Monsieur de Very, nor Louis XVIII, over an oyster-pate, nor Apicius himself, ever understood the meaning of the word *luxury*, better than I did at that moment! If the want of money has its drawbacks and disadvantages, it is not without its contrasts and counterbalancing effects, for which I fear nothing else can make us amends. Amelia's *hashed mutton* is immortal; and there is something amusing, though carried to excess and caricature (which is very unusual with the author) in the contrivances of old Caleb, in “the bride of Lammermuir,” for raising the wind at breakfast, dinner, and supper-time. I recollect a ludicrous instance of a disappointment in a dinner which happened to a person of my acquaintance some years ago. He was not only poor but a very poor creature, as will be imagined. His wife had laid by four-pence (their whole remaining stock) to pay for the baking of a shoulder of mutton and potatoes, which they had in the house, and on her return home from some errand, she found he had expended it in purchasing a new string for a guitar. On this occasion, a witty friend quoted the lines from Milton:

“And ever against eating cares,
Wrap me in soft Lydian airs!”

Defoe, in his *Life of Colonel Jack*, gives a striking picture of his young beggarly hero sitting with his companion for the first time in his life at a three-penny ordinary, and the delight with which he relished the hot smoking soup, and the airs with which he called about him—“and every time,” he says, “we called for bread, or beer, or whatever it might be, the waiter answered, ‘coming, gentlemen, coming;’ and this delighted me more than all the rest!” It was about this time, as the same pithy author expresses it, “the Colonel took upon him to wear a shirt!” Nothing can be finer than the whole of the feeling conveyed in the commencement of this novel, about wealth and finery from the immediate contrast of privation and poverty. One would think it a labor, like the Tower of Babel, to build up a beau and a fine gentleman about town. The little vagabond's admiration of the old man at the banking-house, who sits surrounded by heaps of gold as if it were a dream or poetic vision, and his own eager anxious visits, day by day, to the hoard he had deposited in the hollow tree, are in the very foremost style of truth and nature. See the same intense feeling expressed in Luke's address to his riches in the *City Madam*, and in the extraordinary

raptures of the "Spanish Rogue" in contemplating and hugging his ingots of pure gold and Spanish pieces of eight: to which Mr. Lamb has referred in excuse for the rhapsodies of some of our elder poets on this subject, which to our present more refined and tamer apprehensions sound like blasphemy.* In earlier times, before the diffusion of luxury, of knowledge, and other sources of enjoyment had become common, and acted as a diversion to the cravings of avarice, the passionate admiration, the idolatry, the hunger and thirst of wealth and all its precious symbols, was a kind of madness or hallucination, and Mammon was truly worshipped as a god.

It is among the miseries of the want of money, not to be able to pay your reckoning at an inn—or, if you have just enough to do that, to have nothing left for the waiter; to be stopped at a turnpike gate, and forced to turn back; not to venture to call a hackney-coach in a shower of rain—(when you have only one shilling left yourself, it is a *bore* to have it taken out of your pocket by a friend, who comes into your house eating peaches in a hot summer's day, and desiring you to pay for the coach in which he visits you;) not to be able to purchase a lottery ticket, by which you might make your fortune, and get out of all your difficulties; or to find a letter lying for you at a country post office, and not to have money in your pocket to free it, and be obliged to return for it the next day. The letter so unseasonably withheld may be supposed to contain money, and in this case there is a foretaste, a sort of actual possession taken through the thin folds of the paper and the wax, which in some measure indemnifies us for the delay: the bank note, the post bill seems to smile upon us, and shake hands through its prison bars; or it may be a love letter, and then the tantalization is at its height: to be deprived in this manner of the only consolation that can make us amends for the want of money, by this very want—to fancy you can see the name—to try to get a peep at the hand-writing—to touch the seal, and yet not dare to break it open—is provoking indeed—the climax of amorous and gentlemanly distress. Players are sometimes reduced to great extremity, by the seizure of their scenes and dresses, or (what is called) *the property of the theatre*, which hinders them from acting; as authors are prevented from finishing a work, for want of money to buy the books necessary to be consulted on some material point or circumstance, in the progress of it. There is a set of poor devils, who live upon a printed *prospectus* of a work that never will be written, for which they solicit your name and half a crown. Decayed actresses take an annual benefit at one of the theatres; there are patriots who live upon periodical subscriptions, and critics who go about the country lecturing on poetry. I confess I envy none of these; but there are persons who, provided they can live, care not how they live—who are fond of display, even when it implies exposure; who court notoriety under every shape, and embrace the public with demonstrations of wantonness. There are genteel beggars, who send up a well-penned epistle requesting the loan of a shilling. Your snug bachelors and retired old maids pretend they can distinguish the knock of one of these at their door. I scarce know which I dislike the most—the patronage that effects to bring premature genius into notice, or that extends its piecemeal, formal charity towards it in its decline. I hate your literary funds, and funds for decayed artists—they are corporations for the encouragement of meanness, pretence, and insolence. Of all people, I cannot tell how it is, but players appear to me the best able to do without money. They are a privileged class. If not exempt from the common calls of necessity and

* Shylock's lamentation over the loss of "his daughter and his ducats," is another case in point.

business, they are enabled "by their so potent art" to soar above them. As they make imaginary ills their own, real ones become imaginary, sit light upon them, and are thrown off with comparatively little trouble. Their life is theatrical—its various accidents are the shifting scenes of a play—rags and finery, tears and laughter, a mock dinner or a real one, a crown of jewels or of straw, are to them nearly the same. I am sorry I cannot carry on this reasoning to actors who are past their prime. The gilding of their profession is then worn off, and shows the false metal beneath; vanity and hope (the props of their existence) have had their day; their former gayety and carelessness serve as a foil to their present discouragements; and want and infirmities press upon them at once. "We know what we are," as Ophelia says, "but we know not what we shall be." A workhouse seems the last resort of poverty and distress—a *parish pauper* is another name for all that is mean and to be deprecated in human existence. But that name is but an abstraction, an average term—"within that lowest deep, a lower deep may open to receive us." I heard not long ago of a poor man, who had been for many years a respectable tradesman in London, and who was compelled to take shelter in one of those receptacles of age and wretchedness, and who said he could be contented with it—he had his regular meals, a nook in the chimney, and a coat to his back—but he was forced to lie three in a bed, and one of the three was out of his mind and crazy, and his great delight was, when the others fell asleep, to tweak their noses, and flourish his night-cap over their heads, so that they were obliged to lie awake, and hold him down between them. One should be quite mad to bear this. To what a point of insignificance may not human life dwindle! To what fine agonizing threads will it not cling! Yet this man had been a lover in his youth, in a humble way, and still begins his letters to an old-maid (his former flame,) who sometimes comforts him by listening to his complaints, and treating him to a dish of weak tea, "MY DEAR MISS NANCY!"

Another of the greatest miseries of a want of money, is the tap of a dun at your door, or the previous silence when you expect it—the uneasy sense of shame at the approach of your tormentor; the wish to meet, and yet to shun the encounter; the disposition to bully; the fear of irritating; the real and the sham excuses; the submission to impertinence; the assurances of a speedy supply; the disingenuousness you practice on him and on yourself; the degradation in the eyes of others and your own. Oh! it is wretched to have to confront a just and oft-repeated demand, and to be without the means to satisfy it; to deceive the confidence that has been placed in you; to forfeit your credit; to be placed at the power of another, to be indebted to his lenity; to stand convicted of having played the knave or the fool; and to have no way left to escape contempt, but by incurring pity. The suddenly meeting a creditor on turning the corner of a street, whom you have been trying to avoid for months, and had persuaded you were several hundred miles off, discomposes the features and shatters the nerves for some time. It is also a serious annoyance to be unable to repay a loan to a friend, who is in want of it—nor is it very pleasant to be so hard-run, as to be induced to request the repayment. It is difficult to decide the preference between debts of honor and legal demands; both are bad enough, and almost a fair excuse for driving any one into the hands of money-lenders—to whom an application, if successful, is accompanied with a sense of being in the vulture's gripe—a reflection akin to that of those who formerly sold themselves to the devil—or, if unsuccessful, is rendered doubly galling by the smooth, civil leer of cool contempt with which you are dismissed, as if they had escaped from your clutches—not you from their's. If any thing can be

added to the mortification and distress arising from straitened circumstances, it is when vanity comes in to barb the dart of poverty—when you have a picture on which you had calculated, rejected from an exhibition, or a manuscript returned on your hands, or a tragedy damned, at the very instant when your cash and credit are at the lowest ebb. This forlorn and helpless feeling has reached its *acme* in the prison scene in *Hogarth's Rake's Progress*, where his unfortunate hero has just dropped the manager's letter from his hands, with the laconic answer written in it: "Your play has been read, and won't do."* To feel poverty is bad; but to feel it with the additional sense of our incapacity to shake it off, and that we have not merit enough to retrieve our circumstances—and, instead of being held up to admiration, are exposed to persecution and insult—is the last stage of human infirmity. My friend, Mr. Leigh Hunt (no one is better qualified than he to judge) thinks, that the most pathetic story in the world is that of Smollett's fine gentleman and lady in jail, who have been roughly handled by the mob for some paltry attempt at raising the wind, and she exclaims in extenuation of the pitiful figure he cuts, "Ah! he was a fine fellow once!"

It is justly remarked by the poet, that poverty has no greater inconvenience attached to it than that of making men ridiculous. It not only has this disadvantage with respect to ourselves, but it often shows us others in a very contemptible point of view. People are not soured by misfortune, but by the reception they meet with in it. When we do not want assistance, every one is ready to obtrude it on us, as if it were advice. If we do, they shun us instantly. They anticipate the increased demand on their sympathy or bounty, and escape from it as from a falling house. It is a mistake, however, that we court the society of the rich and prosperous, merely with a view to what we can get from them. We do so, because there is something in external rank and splendor that gratifies and imposes on the imagination; just as we prefer the company of those who are in good health and spirits to that of the sickly and hypochondriacal, or as we would rather converse with a beautiful woman than with an ugly one. I never knew but one man who would lend his money freely and fearlessly in spite of circumstances (if you were likely to pay him, he grew peevish, and would pick a quarrel with you.) I can only account for this from a certain sanguine buoyancy and magnificence of spirit, not deterred by distant consequences, or damped by untoward appearances. I have been told by those, who shared of the same bounty, that it was not owing to generosity, but ostentation—if so, he kept his ostentation a secret from me, for I never received a hint or a look from which I could infer that I was not the lender, and he the person obliged. Neither was I expected to keep in the back-ground or play an under part. On the contrary, I was encouraged to do my best; my dormant faculties roused, the ease of my circumstances was on condition of the freedom and independence of my mind, my lucky hits were applauded, and I was paid to shine. I am not ashamed of such patronage as this, nor do I regret any circumstance relating to it but its termination. People endure existence even in Paris: the rows of chairs on the Boulevards are gay with smiles and dress: the saloons, they say, are brilliant; at the theatre there is Mademoiselle Mars—what is all this to me? After a certain period, we live only in the past. Give me back one single evening at Boxhill, after a stroll in the deep empurpled woods, before Bonaparte was yet beaten, "with wine of attic taste," when wit, beauty, friend-

* It is provoking enough, and makes one look like a fool, to receive a printed notice of a blank in last lottery, with a postscript hoping for your future favors.

ship presided at the board! Oh no! Neither the time nor friends that are fled, can be recalled! Poverty is the test of sincerity, the touchstone of civility. Even abroad, they treat you scurvily if your remittances do not arrive regularly, and though you have hitherto lived like a *Milord Anglais*. The want of money loses us friends not worth the keeping, mistresses who are naturally jilts or coquettes; it cuts us out of society, to which dress and equipage are the only introduction; and deprives us of a number of luxuries and advantages of which the only good is, that they can only belong to the possessors of a large fortune. Many people are wretched because they have not money to buy a fine horse, or to hire a fine house, or to keep a carriage, or to purchase a diamond necklace, or to go to a race-ball, or to give their servants new liveries. I cannot myself enter into all this. If I can *live to think and think to live*, I am satisfied. Some want to possess pictures, others to collect libraries. All I wish is, sometimes, to see the one and read the other. Gray was mortified because he had not a hundred pounds to bid for a curious library; and the dutchess of — has immortalized herself by her liberality on that occasion, and by the handsome compliment she addressed to the poet, that “if it afforded him any satisfaction, she had been more than paid, by her pleasure in reading the *Elegy in a Country Church-Yard*.”

Literally and truly, one cannot get on well in the world without money. To be in want of money, is to pass through life with little credit or pleasure; it is to live out of the world, or to be despised if you come into it; it is not to be sent for to court, or asked out to dinner, or noticed in the street; it is not to have your opinion consulted or else rejected with contempt, to have your acquirements carped at and doubted, your good things disparaged, and at last to lose the wit and the spirit to say them; it is to be scrutinized by strangers, and neglected by friends; it is to be a thrall to circumstances, an exile in a foreign land; to forego leisure, freedom, ease of body and mind, to be dependent on the good-will and caprice of others, or earn a precarious and irksome livelihood by some laborious employment: it is to be compelled to stand behind a counter, or to sit at a desk in some public office, or to marry your landlady, or not the person you would wish; or to go out to the East or West Indies, or to get a situation as judge abroad, and return home with a liver-complaint; or to be a law stationer, or a scrivener or scavenger, or newspaper reporter; or to read law and sit in court without a brief, or be deprived of the use of your fingers by transcribing Greek manuscripts, or to be a seal engraver and pore yourself blind; or to go upon the stage, or try some of the fine arts; with all your pains, anxiety, and hopes, most probably to fail, or, if you succeed, after the exertions of years, and undergoing constant distress of mind and fortune, to be assailed on every side with envy, backbiting, and falsehood, or to be a favorite with the public for awhile, and then thrown into the back ground—or a jail, by the fickleness of taste and some new favorite; to be full of enthusiasm and extravagance in youth, of chagrin and disappointment in after life; to be jostled by the rabble because you do not ride in your coach, or avoided by those who know your worth and shrink from it as a claim on their respect or their purse; to be a burden to your relations, or unable to do any thing for them; to be ashamed to venture into crowds; to have cold comfort at home; to lose by degrees your confidence and any talent you might possess; to grow crabbed, morose, and querulous, dissatisfied with every one, but most so with yourself; and plagued out of your life, to look about for a place to die in, and quit the world without any one's asking after your will. The *wiseacres* will possibly, however, crowd round your coffin, and raise a monument at a considerable expense, and after a lapse of time, to commemorate your genius and your misfortunes.

The only reason why I am disposed to envy the professions of the church or army is, that men can afford to be poor in them without being subjected to insult. A girl with a handsome fortune in a country town may marry a poor lieutenant without degrading herself. An officer is always a gentleman; a clergyman is something more. Echard's book *on the Contempt of the Clergy* is unfounded. It is surely sufficient for any set of individuals, raised above actual want, that their characters are not merely respectable, but sacred. Poverty, when it is voluntary, is never despicable, but takes an heroic aspect. What are the begging friars? Have they not put their base feet upon the necks of princes? Money as a luxury, is valuable only as a passport to respect. It is one instrument of power. Where there are other admitted and ostensible claims to this, it becomes superfluous, and the neglect of it is even admired and looked up to as a mark of superiority over it. Even a strolling beggar is a popular character, who makes an open profession of his craft and calling, and who is neither worth a doit nor in want of one. The Scotch are proverbially poor and proud: we know they can remedy their poverty when they set about it. No one is sorry for them. The French emigrants were formerly peculiarly situated in England. The priests were obnoxious to the common people on account of their religion; both they and the nobles, for their politics. Their poverty and dirt subjected them to many rebuffs; but their privations being voluntarily incurred, and also borne with the characteristic patience and good humor of the nation, screened them from contempt. I little thought, when I used to meet them walking out in the summer's evenings at Somer's Town, in their long great-coats, their beards covered with snuff, and their eyes gleaming with mingled hope and regret in the rays of the setting sun, and regarded them with pity bordering on respect, as the last filmy vestige of the ancient regime, as shadows of loyalty and superstition still flitting about the earth and shortly to disappear from it for ever, that they would one day return over the bleeding corpse of their country, and sit like harpies, a polluted triumph, over the tomb of human liberty! To be a lord, a papist, and poor, is perhaps, to some temperaments, a consummation devoutly to be wished. There is all the subdued splendor of external rank, the pride of self opinion, irritated and goaded on by petty privations and vulgar obloquy to a degree of morbid acuteness. Private and public annoyances must perpetually remind him of what he is, of what his ancestors were (a circumstance which might otherwise be forgotten;) must narrow the circle of conscious dignity more and more, and the sense of personal worth and pretension must be exalted by habit and contrast into a refined abstraction—"pure in the last recesses of the mind"—unmixed with, or unalloyed by "baser matter!" It was an hypothesis of the late Mr. Thomas Wedgwood, that there is a principle of compensation in the human mind which equalizes all situations, and by which the absence of any thing only gives us a more intense and intimate perception of the reality; that insult adds to pride, that pain looks forward to ease with delight, that hunger already enjoys the unsavoury morsel that is to save it from perishing; that want is surrounded with imaginary riches, like the poor poet in Hogarth, who has a map of the mines of Peru hanging on his garret walls; in short, that "we can hold a fire in our hand by thinking on the frosty Caucasus" but this hypothesis, though ingenious and to a certain point true, is to be admitted only in a limited and qualified sense.

There are two classes of people that I have observed who are not so distinct as might be imagined—those who cannot keep their own money in their hands, and those who cannot keep their hands from other people's. The first are always in want of money, though they do not know what they do with it. They *muddle* it away, without method or object, and without hav-

ing any thing to show for it. They have not, for instance, a fine house, but they hire two houses at a time; they have not a hot-house in their garden, but a shrubbery within doors; they do not gamble, but they purchase a library, and dispose of it when they move house. A princely benefactor provides them with lodgings, where, for a time, you are sure to find them at home: and they furnish them in a handsome style for those who are to come after them. With all this sieve-like economy, they can only afford a leg of mutton and a bottle of wine, and are glad to get a lift in a common stage; whereas with a little management and the same disbursements, they might entertain a round of company and drive a smart tilbury. But they set no value upon money, and throw it away on any object or in any manner that first presents itself, merely to have it off their hands, so that you wonder what has become of it. The second class above spoken of not only make away with what belongs to themselves, but you cannot keep any thing you have from their rapacious grasp. If you refuse to lend them what you want, they insist that you *must*: if you let them have any thing to take charge of for a time (a print or a bust) they swear that you have given it them, and that they have too great a regard for the donor ever to part with it. You express surprise at their having run so largely in debt; but where is the singularity while others continue to lend? And how is this to be helped, when the manner of these sturdy beggars amounts to dragooning you out of your money, and they will not go away without your purse, any more than if they came with a pistol in their hand? If a person has no delicacy, he has you in his power, for you necessarily feel some towards him; and since he will take no denial, you must comply with his peremptory demands, or send for a constable, which out of respect for his character you will not do. These persons are also poor—*light come, light go*—and the bubble bursts at last. Yet if they had employed the same time and pains in any laudable art or study that they have in raising a surreptitious livelihood, they would have been respectable, if not rich. It is their facility in borrowing money that has ruined them. No one will set heartily to work, who has the face to enter a strange house, ask the master of it for a considerable loan, on some plausible and pompous pretext, and walk off with it in his pocket. You might as well suspect a highway-man of addicting himself to hard study in the intervals of his profession.

There is only one other class of persons I can think of, in connection with the subject of this essay—those who are always in want of money from the want of spirit to make use of it. Such persons are perhaps more to be pitied than all the rest. They live in want, in the midst of plenty—dare not touch what belongs to them, are afraid to say that their soul is their own, have their wealth locked up from them by fear and meanness as effectually as by bolts and bars, scarcely allow themselves a coat to their backs or a morsel to eat, are in dread of coming to the parish all their lives, and are not sorry when they die, to think that they shall no longer be an expense to themselves—according to the old epigram:

"Here lies Father Clarges,
Who died to save charges!"

SCHEMES.—Many schemes ridiculed as utopian, decried as visionary, and declaimed against as impracticable, will be realised the moment the march of sacred knowledge has effected this for our species—that of making men wise enough to see their true interests and disinterested enough to pursue them.

LEGAL MISCELLANY.

DECISIONS IN ALABAMA.

Bank.

Notice to the cashier of a bank, that its modification of the proposals of a party are acceded to by him, is notice to the bank. *Branch Bank at Huntsville v. Steele*, Alabama Reports, vol. 10, page 915.

Bills of Exchange and Promissory Notes.

A stipulation in a promissory note, that it may be discharged in cotton of a fair quality, at seven cents per pound, delivered at a particular place, is for the benefit of a defendant, and he must show that he delivered, or offered to deliver it in payment of the note. *Love v. The Ex'rs of Simmons*, Alabama Reports, vol. 10, page 113.

A notary in whose hands a negotiable note is placed for demand and protest, must inform the holder with promptness if he does not give notice of its dishonor; and if he undertakes to give notice, he must do so in such a manner as to make it effectual in law. *Marston v. The Bank of Mobile*, 284.

When a fraud is practised in the sale of a slave, this is a good defence to an action on a note for the price, although the purchaser accepted a warranty from the seller not covering the particular defect complained of. *Huckabee v. Albritton*, *ibid.* 657.

In an action upon an open account against several persons, it cannot be objected that a note given by one of them in the name of all but without their authority, in liquidation of the account, was not delivered up and cancelled—it being admitted by the plaintiffs that it was not the note of any other person than the defendant who made it, and it further appearing that a judgment had been recovered on it against him, which was unsatisfied. *Lee's Adm'r v. Fontaine & Freeman*, *use, &c. ibid.* 755.

A promissory note payable in bank, is by statute made subject to "the rules of the law merchant, as to days of grace, demand and notice, in the same manner that inland bills of exchange," &c. are; consequently, where such paper is endorsed, either regularly or irregularly, the endorser must be charged by a demand and notice. *Branch Bank at Montgomery v. Gaffney*, Alabama Reports, vol. 9, page 153.

The addition of two names as makers of a note, placed there without the consent of the maker, will not avoid it, unless put there for a fraudulent purpose. *Montgomery R. R. Co. &c. v. Hurst*, *ibid.* 513.

A party who signs his name to a note in blank, with the understanding that it shall be filled up with a particular amount, or be used in a particular mode, is liable upon the note, to a party who receives it in ignorance of the agreement, and pays a valuable consideration for it, whether it be an advance of money or the extinguishment of a debt. *Decatur B. v. Spence*, *ibid.* 800.

An assignee of a promissory note, succeeds to all the rights of his assignor at the time of the transfer, and will be entitled to prior satisfaction, against a subsequent assignee of other notes, out of a fund provided for the payment of all the notes. *Bank of Mobile v. P. & M. Bank*, *ibid.* 645.

F and F being largely indebted to a bank, made an agreement with it, by which they conveyed certain property, and assigned certain promissory notes, for the payment of the debt, and obtained an exemption from suit for

years. Subsequently they transferred other promissory notes, to another bank, absolutely in discharge of a debt owing to it. A fund was provided for the payment of the notes transferred to both banks, which being insufficient for the payment of all. Held, that the notes first transferred, were entitled to a priority of payment, as they were stated in the agreement, to be transferred as collateral security money, F, F, and all the parties to the note being insolvent. *Bank of Mobile v. P. & M. Bank of Mobile*, *ibid.* 645.

Where the maker of a note who has indemnified his endorser, afterwards shows the note to the latter, telling him that he has paid it, and demanding a release of the indemnity, which is accordingly done; if the note has not been paid, the holder cannot excuse the want of notice to the endorser by showing that he had been indemnified. *Alabama Reports*, vol. 7, page 108.

When the liability of an endorser has not been fixed by notice, the fact that he has taken an indemnity from the maker after the maturity of the note, will not have the effect to charge him on the endorsement. *Lowry's Adm'r v. the Western Bank of Georgia*, *ibid.* 120.

It is competent for a bank, by custom or usage, and consequently by rule, to establish a mode for giving notice to charge the parties to a bill, different from that which obtains in the general commercial law; as, for instance, to provide that notice may be sent by the post, even where all the parties reside in the same place, and such a custom, &c. will be binding on the parties to a bill made payable at the particular bank. *Ibid.* 325.

A foreign corporation, exercising one of its corporate functions by the comity of this state, within its limits, must conform itself to our laws. A prohibition in the charter, that it shall not, within the state of its creation, take more than six per cent. per annum, on its loans or discounts, does not follow it into a foreign state, by whose comity it is permitted to make contracts. *Heirs and Adm'r of Hitchcock v. U. S. Bank of Penn.* *ibid.* 387.

Notaries Public.

Where commercial paper is placed in the hands of a notary for demand and protest, if he has not given notice to the drawer and endorsers, he must inform the holder with all reasonable despatch what he has done; and if he has undertaken to give notice, he must perform this duty in such a manner as not to prejudice the holder's rights. *The Bank of Mobile v. Marston*.

The certificate in the protest of a notary setting forth the demand and refusal of an inland bill, &c., and notice to the drawer and endorsers, is made evidence by statute, yet it is not conclusive; and it is competent for the party to show such a state of facts, as prove that the certificate is untrue. *Ibid.*

Where the notary certifies that he has given notice of the dishonor of paper to the drawer or endorsers, and the holder in consequence thereof, fails to give it, if the certificate of the notary is false, he will be bound to make good any loss which may result from its falsity. *Ibid.*

The measure of damages in an action against a notary for failing to give notice of the dishonor of paper according to his undertaking, must be graduated by the injury sustained by the neglect; in estimating which, the solvency of the party to whom the notice was given, is an important element.

The notary public who protests a foreign bill is authorised to give notice of its dishonor to all persons who are responsible to the holders, and a notice describing himself officially to which his name is printed instead of written is good. *Ibid.* vol. 7, p. 108.

In such case it may be intended from the similarity of the name that the person who made the protest, was the same who gave the notice, although there is no official seal attached to the notice. *Crawford v. the Branch Bank at Mobile*, *ibid.* 205.

DECISIONS IN SOUTH CAROLINA.

UNION BANK v. SOLLEE.

Before the Court of Appeals of South Carolina, 1848. Our readers will find this case, before the Inferior Court, reported at length, in the Bankers' Magazine, for July and August, 1847.

Opinion of Judge O'Neil.

In this case, I do not propose to pass over the grounds in order to set down in the notice of appeal. The objections are of law and fact. I will first dispose of the facts, and then take up the legal objections, disposing first of the 7th ground, and then of the legal question covered by the first six grounds.

Before I proceed to the task before me, I trust I may be allowed to say, that in this case, from the beginning, I have brought to it all the powers which I possess, so that justice, impartial even handed justice, should be done between *a corporation and a citizen*. If in any matter I am, or have been in error, I confess, after all the argument and examination, I am unable to perceive it.

1st. It is enough as to the facts, to say that they went to the jury under the rule of law contended for by the plaintiff, that the burthen of proof to exempt himself from the liability cast upon him, by his receipt, was on the defendant. The jury have said, we are satisfied the defendant never received the money, and in that conclusion I fully concur. It is impossible to put upon paper the many little matters which lead to that opinion. The principal facts are, that the defendant received the packages without counting; that they were sealed up; one of them was under the seal of the late venerable and excellent president of the bank—some of these packages appeared to be bunglingly put up, and some of them looked like they had been resealed; yet some of these were found to be right—they were annually counted as so much money. On one occasion, the president pointed out his seal as a reason why there was no necessity to count; the defendant's character was not only good, but above suspicion; he showed how he acquired the large sums of money which he paid away, and indeed accounted for his monetary affairs in a way which few men could do. The circulation of the bank was a very limited one, during his term as cashier never reaching \$100,000; the bills embezzled, or stolen, in whole, or in part, were old bills, which were never intended to be again put in circulation—if they were put in circulation, it is difficult to conceive that they could not have been discovered, and the fraud or larceny early detected; so, too, the circulation of the bank was not only limited in amount, but also in time; a package of bills, \$10,000, loaned and marked by the president, were all re-deemed at the counter in less than two weeks. These facts thus thrown together, make out enough to satisfy most minds that the defendant never had the money. And here it may be remarked, that it is not necessary in this court to demonstrate, that the jury have decided the facts right; it is enough, if it be not shown that they are palpably wrong. The only suspicious circumstance, is that the defendant, as a private dealer with the bank, over-drew his deposits from January, 1843, to August, 1845. This, although the result of great carelessness, was not the result of design, as the jury have found, and as I believe. For this matter, as one of the evidences of the de-

defendant's guilt, was pressed upon the jury; notwithstanding it, they have found for him, and hence the conclusion that they did not think it *intentional*. For if they found it to be *intentional*, it would have shown him to be *falsus in uno* and thence *falsus in omnibus* would have been a very pertinent conclusion. But I have endorsed the conclusion of the jury, and said that I also do not believe there was any intentional overdraft. The books of the bank were badly kept. The book-keeper from '39 to '45, Mr. Alexander, said that previous to '39, the books had never been balanced. He attempted it, but in his books were such errors of addition and subtraction, that nothing certain could be obtained. From his book when Sollee went out of office, there appeared no over-draft. Another person was employed to go over his books, and then, to his astonishment, and that of Sollee, it was discovered he had overdrawn. It is very true the defendant ought to have kept his own bank book—he was a very large depositor, for his own security he ought to have kept the account; but he might have thought it was wholly unnecessary, the bank books could be referred to daily, and the situation of his account ascertained. Finding the error leading to the overdraft in the bank itself, it negatives the fraudulent intention on the part of the defendant. But it is said the judge misled the jury, in saying to them that it seemed to him to be clear, that if \$20,400 had been purloined between '37 and '42, (they, the bank) had not been called on to pay a dollar of it. It is enough, and it is all I intend to say for the court, that if there be error here, it was merely on a fact, about which the jury, and not this court, were to judge. Such an error has never been held to be a ground for new trial. But, for myself, I may be allowed to vindicate the instruction, and show even against the admission of *one* of the defendant's learned counsel, that there was even here no error. It has been assumed that of the bills issued by the bank, there must have been at least \$20,000 lost by wear and tear and accidents in 35 years. That I deny! In 20 years, Mr. Ravenel, the intelligent president of the Planters and Mechanics' Bank, stated the largest loss to be on the \$5 bills, as we would naturally expect from their greater circulation; it was, he said, \$1 40 cts. in the hundred. The loss on \$20 bills was, he said, 32 cts. in the hundred in the same time.

The circulation of the Union Bank from its commencement in 1810 to '20, only at these times exceeded \$600,000. It never reached \$700,000. It began at \$615, and was oftener below \$500,000; for the ten years I assume that sum as the average circulation, and it is greatly above the truth. If every bill issued by the Union Bank had been of \$5, and its circulation as extensive as the Planters & Mechanics' Bank, the loss in ten years would have been \$3,750; but its circulation could not have been more than one quarter of the whole in \$5 bills—the rest was in \$10, 20, 50, 100; the result would be, I have no doubt, nigher the truth to put down the loss from the largest portion of the circulation, being in larger bills at about one-half of what it would have been if \$5 had been the whole circulation, say \$1875. From '20 to '37, the circulation never exceeded \$200,000, and when it did only for a very short time; it was often below it, and very much below it. Taking that, as the average circulation, and ascertaining the loss in the same manner in which it was done for the first ten years, and it amounts to \$1500. From 1837 to 1845, the circulation never exceeded \$100,000, it often was much below it; the loss in that time could not exceed \$750. Add the loss for the three periods, it makes the aggregate \$4,125. Strike off from this one-third for over estimates of circulation, and the narrower sphere, in which the Union Bank bills circulated, and it will bring down the loss to \$2,940, within less than \$200 of the sum to which Mr. Godard reduced the circulation in '42. Now, unless there be something strangely mysteri-

ous in banking, or some error in the data on which I have based my calculation, it is plain, if the money was stolen, the thief still has it locked up. For, as Aaron C. Smith said, the bank has never been called on to pay more bills than she knew she had in circulation. Now, if we could believe that from the beginning these packages were fraudulent, the whole mystery would be removed by showing, as the calculation would do, that in fact they never had the sum now alleged to be stolen, in circulation. But the defendant is only responsible for the period from '37 to '45. In that time the circulation never exceeded \$100,000, and indeed its average would not be \$50,000. Throw out \$20,000 additional and surreptitiously, would not the bank have soon found that she had out more money than she knew. So much for this part of the case. It may be that, like me, the jury thought this was the true view, and if they did, how can this court say they or I were or was in error?

2d. The seventh ground insists that the plaintiff should have had a verdict on the over-drafts, with interest from the time they respectively occurred, and not as I ruled from the time he went out of office, or from a demand, if one had been made earlier! There is no doubt if the action was for money had and received against Mr. Sollee as an individual, and not as cashier, that, then the bank would be right in their demand, and that he must allow interest from the day of each over-draft! *But the action is for an official default.* Most of my brethren think that if I erred that the error was in allowing the bank to recover at all for the over-draft on the official bond. They think that his official duty terminated when he handed over the money to the teller, and that the teller is answerable officially for the over-drafts. Be this however as it may, it is perfectly clear that the only official default chargeable to the defendant in reference to the over-drafts, is that he did not turn over that much money which might then be regarded as in his hands. As cashier, he is not liable to interest; his duty is to keep the money. When he went out and failed to pay, then, and not before, (as there was no previous demand,) the right to interest accrued.

3d. The six first grounds maintain that the defendant, by his receipt of the 27th September, 1837, discharged his predecessor, Wilkie, from his liability to the bank, and that, therefore and thereby, he was excluded from denying that he had then in his hands the \$20,400 found to be wanting on the count, 21st July, 1845. I have no doubt about the rule stated by Prof. Greenleaf in his vol. on Evid., page 240, § 207. "Admissions which have been acted on by others, are conclusive against the party making them, in all cases between him and the person whose conduct he has thus influenced." Receipts are to be considered as admissions! The case of *Wyatt vs. the Marquis of Hubford*, 3d East, 147, is a very perfect illustration of the rule. The plaintiff had done work for the defendant—his account was presented to the defendant's steward, who gave him his own draft on a banker, the plaintiff gave him a receipt for so much money on the account of the defendant. The banker refused to pay the draft, the plaintiff returned it to the steward, who gave him another, payable twenty days after. No information about these occurrences were given to the defendant. The second draft was not paid, and the steward being insolvent, the plaintiff sued the defendant, who relied on the plaintiff's receipt as his discharge, inasmuch as his steward had sufficient funds of the defendant to have paid the plaintiff, and had gone away much in arrear to him. It did not appear that the defendant had settled with his steward, and passed this receipt to his credit. Lord Ellenborough, on the circuit, thought the defendant was discharged, and a verdict was found accordingly. But, on the motion for a new trial, he placed the case on the proper ground. He said, "there must

a new trial, he placed the case on the proper ground. He said, "there must be a new trial, for, on revising his note of the evidence, it did not appear that the defendant was in any way prejudiced by his steward having given his own security and taken the latter's receipt. *That if it had appeared that the defendant had, in the interval, inspected the steward's accounts, and had in any manner dealt with him differently on the supposition that this demand had been satisfied, as the receipt imported, no doubt the defendant would have been discharged, for it was clear that Hunt had sufficient money of the defendant's in his hands to answer the demand.*" The rule, as stated by Greenleaf, and illustrated by this case, is good law. Under it, let it be assumed that the defendant gave his receipt to Wilkie, (which, however, is not the true view, as will be, hereafter, shown,) and then the question will be, has the bank acted on it and discharged Wilkie? It is clear they have not. For, when the turning over of the assets of the bank to the defendant and the fact that he had given a receipt for them was reported to the bank, it was received as information merely, no order accepting and confirming the report, or to discharge Wilkie, was then, or afterwards made. Even his bond, from any thing which appears, may now be in the possession of the bank. There is nothing, therefore, done by the bank, in consequence of Sollee's receipt, which, if it had not been given, they would not have done! But it is useless to pursue a supposed case and leave that which is before us. Sollee, as cashier, did not receive the money and other assets of the bank from Wilkie's representative. The committee of the bank tell us what was done in the document before us; they say that "they proceeded to an examination of the vault, in the presence of Mr. C. J. Steedman, a friend of the late cashier, examined and counted the specie, bills and notes, certificates of stock and bonds in possession of the deceased, and found the whole as follows." This shows that *they made the count*; it was that which discharged Wilkie, *if any thing did*. The funds being found right, they were in the bank's own vault, and the committee, not Mr. Wilkie's representative, turned them over to the defendant. They say further, in their report, "the whole was delivered over to Mr. Henry Sollee, who acknowledges the same." This report was signed by the committee and also by the defendant. This was in fact and in law an admission to the bank: "I have, to-day, from your counting committee, received the funds of the bank, as appears by their statement." Considered in that way there is no doubt, it is examinable, and if erroneous the defendant not bound by it. It is true, however, in such an examination, the *onus* of showing the error is entirely on him. If he fails to make it out satisfactorily to the court and jury he must abide by his receipt and admission. So the jury were charged, and it is now in vain to say, they might have thought the plaintiff was bound to satisfy them that the defendant had the money. No such issue was submitted to the jury! They felt the responsibility devolved upon them, they knew well that unless the facts satisfied them that the defendant never had the money, they must charge him under the receipt with it. It is very true that the defendant made up weekly reports, of which his receipts was the predicate, but if it were wrong, they were also wrong. *They*, no more than their parent, led the bank astray. The error began with the bank, and they had constantly the means of correcting it. They counted annually, yet they always counted by the package, and if they had gone on in that way to the end of time, the error would never have been detected. But it is said that neither the directors nor the committee are the bank. This is true. But they, as well as the defendant, were agents of the bank. They were the defendant's superiors, they had the right to direct his conduct in every thing not inconsistent with the by-laws, rules and resolutions of the bank. If it

had been peculiarly the defendant's duty to settle with Wilkie, then indeed, perhaps, the act of the committee would be his, and he would be bound to answer for it. But I am not aware of any such duty. The bank could, and did, by their directors, send down a committee to make the settlement. The defendant, in no view of this transaction, can be concluded from examining the correctness of the receipt.

The motion is dismissed.

(Signed)

JOHN BELTON O'NEALL.

We concur :

(Signed)

J. S. RICHARDSON,
JOSIAH J. EVANS,
T. J. WITHERS.

We concur in the law, as stated, and in refusing a new trial upon a question of fact.

(Signed)

D. L. WARDLAW,
EDWARD FROST.

AGENCY.

William Savage v. Western Rail Road Co.—Before the Supreme Judicial Court of Massachusetts, November, 1847.

This was an action of assumpsit, on an account annexed, dated March 18, 1841, in which the plaintiff claimed of the defendants \$10,000, "for services in aiding to procure a loan of state credit." The date of the writ was March 26th, 1845.

It appeared, in evidence, that these services were rendered under the following circumstances: The Western Rail Road Co. was incorporated March 15th, 1833, and was organised in January, 1836. On the 4th of April, 1836, the state subscribed for one-third of the stock, or \$1,000,000. The remaining \$2,000,000 was taken by private subscriptions. The state was to have three out of the nine directors of the company. Towards the end of the year 1837, it was found that there would not be money enough to finish the work and on the 23d November of that year, the stockholders raised a committee of forty, to aid the directors in applications for the credit of the state. The plaintiff was a member of such committee. On the 21st of February, 1838, a state act was passed, loaning the credit of the state to the corporation, to the extent of \$2,100,000. On the same day the stockholders accepted the act, and recommended the directors "to make a *gratuity*" to the plaintiff and Mr. Degrand, as a testimony of the respect and esteem of the stockholders.

In the beginning of the year 1839, similar proceedings were had by means of a committee, of which the plaintiff was also a member, which resulted in obtaining a loan of state credit, on the 23d of March, 1839, to the amount of \$1,200,000; the state to have four directors in the company. Similar proceedings were also had in the year 1841, which resulted in a further loan of state credit, granted March 18th, 1841, to the extent of \$700,000.

It appeared in evidence, that the plaintiff, during all this period, devoted his entire time and energies in manufacturing a public sentiment which should operate on the legislature, and induce them to make these grants, and that his efforts, and those of Mr. Degrand, were the salvation of the enterprise. There was no other evidence, however, of any contract, express or implied, on the part of the corporation, to pay the plaintiff for these services. It also appeared, by a letter from the plaintiff to the treasurer of the corporation, dated November 11, 1842, that he then declared that he should make no claim for his services, but hoped the company, in view of his ser-

vices, would allow him to redeem the shares which he had forfeited, by the non-payment of his assessments, and which were 248 in number.

For the defence, the statute of limitations was first relied upon. The court sustained *this* position, which had the effect of ruling out the services rendered upon the first two applications.

The counsel for the defendants objected, 1st—to the nonjoinder of other members of the committee; 2d—that by the charter of the company, and the revised statutes of this commonwealth, the whole power of expending money lay exclusively with the directors, and that the stockholders had no right to make contracts for building or completing the road; 3d—that the contract was against public policy, because the promise of reward to a person, privately made, for the purpose of influencing the legislature, was of bad tendency; 4th—that inasmuch as the legislature owned one-third of the stock, and could not be represented in the meetings of the stockholders, it was unjust that private stockholders should expend money of the corporation, to persuade the state to put in more capital. The court upon all these points, for the purposes of the trial, ruled against the defendants.

Evidence was given, that after the successful applications to the legislature, the actual outlays of the committee were refunded to them by the corporation, including bills rendered by the plaintiff for money expended by him.

WILDE, J., instructed the jury, that the plaintiff's claim for services rendered upon the first two applications, was barred by the statute of limitations; and that, as to his services upon the third application, they must find for or against the plaintiff, according as they might think that the services were rendered with or without an understanding that he was to receive a pecuniary compensation therefor. The jury, after a short absence, returned their verdict for the defendant.

Rufus Choate and F. B. Crowninshield, for the plaintiff; Charles G. Loring and Ellis Gray Loring, for the defendants.—*Boston Atlas*.

BANK STOCKS.

Before the Supreme Court of Louisiana, 1848.

The Supreme Court of Louisiana have recently decided a case of much interest to stockholders of banking, or other incorporated institutions.

In the case of *Millaudon v. the Carrollton Bank*, it was decided by the former Supreme Court of Louisiana, that a stockholder voluntarily paying up his stock in full, was, on the liquidation of a bank and the division of its assets, entitled to the full extent of his extra payments, to a preference over those stockholders who had only paid up their stock to the extent of the instalments that had been officially called on. Under that decision, a stockholder who had paid up his shares to the full amount of one hundred dollars each, whilst the other stockholders had only paid up fifty dollars, would be entitled, first, to recover his extra fifty dollars before any payments were made to the others, with whom he would *then* come in on a footing of equality. The recent decision reverses the former one, and declares, that the full paid shares possess no preference over the half-paid ones, excepting, of course, that they count as two for one, but that they are only entitled to the same *pro rata* per centage in the liquidation or division of the assets as the half shares.

This decision will have an important bearing on the settlement of the affairs of several institutions in New Orleans.—*Boston Atlas*.

STOCK SALES.

Judge Ulshoeffer presiding.

Genin & Lockwood v. Michael Isackson.—Before the New York Court of Common Pleas.

This was an action to recover the difference between the cost price of 200 shares of stock, and what they afterwards sold for at auction, being about \$1,900. The plaintiffs are brokers, and in November, 1846, purchased 200 shares of the stock of the Norwich and Worcester Rail Road Co., by directions and for account of the defendant. Immediately after the stock was purchased, the Atlantic steamboat belonging to the company was lost, and this stock in consequence suffered a depression. When the time for delivering the stock arrived, the defendant refused to take it, and the plaintiffs notified him that if he did not do so they would sell it by auction, which they did accordingly. The stock sold for less than they purchased at, and they now seek to regain the loss from the defendant. When giving the plaintiffs order to purchase the stock, the defendant did so by parole only, and not in writing, and there was no positive evidence to show precisely to what price he limited the plaintiffs at which to purchase the stock. The defendant contended that he limited them to 57½, while the plaintiffs alleged that it was 58. For the defence it was alleged that in point of fact, this was a mere bargain between the parties and not a brokerage transaction, and that the statute provides that if a man bargains to sell stock, such a bargain is not valid unless he has the stock on hand at the time he makes the bargain. And in the present case the plaintiffs had not the stock on hands, but purchased it the day after they had bargained to sell it. It was also contended that the contract was void under the statute of frauds, which renders contracts for any amount over \$50 void unless put in writing. On the part of the plaintiffs, it was urged, that after the stock was purchased the defendant ratified the purchase by saying that he would "make it all right." The evidence, however, on the facts of the case was altogether of a vague and unconvulsive character.

The court charged the jury that it was for them to say whether that was a mere bargain between the parties, or a case in which the plaintiffs were employed as brokers. If it was not a case of brokerage, and that the plaintiffs merely agreed to sell the stock to the defendant, then it was void, as there was no proof that the plaintiffs had the stock on hands at the time; or, if the defendant went to the plaintiffs to make a purchase amounting to more than \$50, then the contract would be void if not put in writing. But if the plaintiffs acted as brokers, and invested their money in that stock, by the directions of the defendant, and in making the purchase, conformed to his orders as to the price they were to give, then they were not to be losers by it, but were to be compensated for their loss.

COMMON CARRIERS.

Charles Stoddart et al. v. the Long Island Rail Road Company.—Before the Superior Court of New York. Judge Vanderpool presiding.

This was an action to recover damages for injuries done to a parcel of silks, while being conveyed by the defendants on board of one of their steamboats from this city. It appeared that the goods were delivered to Adams & Co. to be by them conveyed to their destination by their express line, and were by their agent put on board a steamboat belonging to the defendants, with whom they had a contract for carrying their expresses, for

which they paid a fixed sum per annum. The agent of Adams & Co. went in the same boat with the goods, and kept them entirely under his own care and control during the passage. When the boat reached Allen's Point, where the goods were to be landed, an attempt was made to put them on shore, and they fell into the water and received the injury for which compensation was now sought. The plaintiffs sought to recover against the defendants as common carriers, liable to make good all accidents, &c., or as bailees, having charge of the goods on hire, and liable for loss arising from their negligence. It was contended for the defence that the defendants could not be considered common carriers, and that the accident which injured the goods was caused by Adams & Co's agent, who insisted on the goods being landed contrary to the expresses and wishes of the captain and first mate of the steamboat. On this part of the case the evidence was of so very conflictory a character as to render it very difficult to tell whether the attempt to land the goods was made by order of Adams & Co's agent or against his wishes.

The court charged the jury. The defendants could not be considered common carriers in the present case. They could not recover freight for the goods from the plaintiffs, because they carried the goods, not for the plaintiffs, but for Adams & Co., and on a contract at a fixed price per annum. They carried for Adams & Co. in a particular way, and for a particular compensation, and their contract with Adams & Co. stipulated that they should not transport goods in the same way for any other person, nor had they any control over the goods sent by Adams & Co., whose agent invariably kept the goods altogether under his own control. The defendants were not therefore common carriers as far as Adams & Co. were concerned; but Adams & Co. were themselves common carriers, and responsible for all the liabilities which the law imposes on common carriers; but the court was of opinion that the defendants might be liable as bailees, having charge of the goods on hire, and if the jury supposed that the injury to the goods arose from the negligence of the defendants, then they were liable for it. Verdict for plaintiffs, \$1436.—*New York Journal of Commerce*.

MARINE INSURANCE.

Termination of Voyage.

Before the United States District Court, at New York, Judge Nelson presiding, November, 1847.

Loring Meigs v. The Sun Mutual Insurance Company.—This was an action to recover the amount of a marine policy of insurance effected on the ship Joseph Meigs, on a whaling voyage from Mattapoisett, Massachusetts. The terms of the policy were that it was to continue in effect until the vessel arrived at the same port, after her voyage, and had been moored 24 hours in safety. The vessel reached home in November, 1844, and was anchored within a mile and a half of the dock, for the purpose of lightening her, as it was supposed that she drew too much water to proceed to the usual landing place, without first taking out some of her cargo. She was therefore kept at anchor, three-quarters of a mile from the wharf, for seven or eight days, during which lighters were employed unloading her, and while in this position she took fire, from lightning or some other cause which did not appear, and was totally destroyed; and the insured now seek to recover the amount of their loss. For the defence it was contended that

the policy had expired before she was destroyed, as she had arrived at her port of destination, and was safely moored 24 hours before the fire took place, and that therefore the insurers were not responsible.

The court charged the jury. This was an action on a policy of insurance taken out on the *Joseph Meigs*, a whaling ship, her outfit and tackle, to continue for a limited period of time, until her return after her cruise and safe arrival at the same port, and until she was there moored at the wharf 24 hours in good safety.

In order to call your attention to the material part of the policy, I will refer to it in its terms, as the whole question depends on a proper understanding of a particular clause, namely: the clause indicating the termination of the voyage and risk.

The defendant, on the 24th of September, 1844, at noon, made an insurance on a vessel, at and from Mattapoisett, on a whaling voyage, to continue until said vessel had safely arrived at Mattapoisett, and until moored 24 hours in good safety.

This is the material clause on which the whole case hangs, taken in conjunction with the clause "until the same shall be safely landed."

This clause differs materially in respect to the insurance of the ship and cargo. With respect to the ship the risk ends on the arrival of the same at the port of Mattapoisett, and on being there moored 24 hours in good safety. But as respects the cargo, the risk does not end until the same is safely landed.

In respect to the cargo, the first objection taken to the right of the plaintiff to recover is, that in point of fact, at the time of the loss, that is, the destruction of the ship and cargo by fire, the vessel was not seaworthy, for the reason, that she had not on board a competent number of hands to take care of the ship, and to keep watch. But the fact that the ship had performed her voyage and arrived at her home port in safety, for aught that appeared to the contrary, the presumption of fact is that she had been all the time properly manned and in every respect seaworthy, and, as I apprehend, it devolves on the insurers to prove that at the particular time of the loss, she was not manned with a proper complement of hands. If that fact is established to your satisfaction it is a sufficient answer to as much of the case as it covers, namely, in respect to her cargo. If not, then the plaintiff is entitled to your verdict on that branch of the case. The main question, is in respect to the ship, and, as has been very properly stated by counsel, on the trial, the simple question on this branch of the case is, whether this voyage had ended, within the meaning of the clause in the policy, before the loss of the vessel, by destruction from fire.

On the part of the defendant it is insisted that it did, and the plaintiff says that it did not. This clause is inserted in the policy for the purpose of indicating the termination of the voyage, and contains the express stipulation of the parties on the subject. The decision of the case you will therefore see involves the necessary and proper understanding of this clause, when applied to the particular voyage in question. Now, as a general rule, I lay down this to be the meaning of that clause, namely, that in order to terminate the risk on the part of the underwriters, by virtue of this clause, the voyage must have ended by the arrival of the vessel at the port of delivery, and the anchoring of her at the usual anchorage ground in that port, for the delivery of her cargo. I, of course, refer to the port of delivery in which the voyage is to terminate. The question as to what is the usual anchorage ground, in any given port, is of course a question of fact, and depends on the usage and custom of that port. And several of the witnesses in this case have proved the fact, that every port has its particular anchorage

ground. The mere dropping of the anchor in the harbor, short of the usual anchorage ground, for temporary purposes, and especially if from necessity or on account of the character of the navigation or the impediments of the harbor, under the view that I take of the case, proves nothing. It must be a dropping of the anchor for securing the vessel at the end of the voyage and with a view to end the voyage, and for the purpose of securing the ship in its proper station, in the port of delivery, for the purpose of unloading the cargo. It is for the jury to say whether, in this sense of the policy, the vessel was moored in safety more than 24 hours, and that the policy expired before the destruction of the vessel. I regard the main question as one of fact for the jury to determine under the instructions I have given you. You will, therefore, say whether, on the whole case, was casting anchor at the usual place for large vessels drawing 13 feet of water, with a view to lighten her; was that casting anchor, in the meaning of this clause of the policy, at the usual anchoring ground of that harbor, or was the usual anchoring ground at the wharf, which was the usual place for unloading the cargo.

The jury found a verdict for the plaintiff for \$10,500, being the full amount of the policy, subject to liquidation.

For plaintiff, Mr. Cutting. For defendant, Mr. Ketcham.

TAX UPON STOCKS.

In the Court of Appeals of Maryland, Judge Martin delivered the opinion of the court in the important cases of *Morris & Gordon v. the City of Baltimore*, affirming the decision of the court below.

This case involved the question of the power of the city to tax the stock of what are called the old banks, which had been released from state taxation by the acts renewing their charters. The city had levied a tax on them and collected it, and this suit was instituted to make the city pay back the tax, (which amounted to thirty thousand dollars,) on the ground that it had been illegally levied and collected.

The case was taken up to the Court of Appeals, on a statement of facts, which had been agreed upon by the counsel of the respective parties, and which involved these two questions:

First, as to the right of the city to tax at all.

Secondly, as to the right of the stockholders who had paid the tax, to demand and receive it back, on the ground that it had been illegally imposed.

On both points the court, we understand, decided in favor of the city. It was held that the exemption from taxation, provided for in the law of the state, applied only to a tax levied by the state, but did not prohibit the city of Baltimore from imposing a tax on it for corporation purposes. The court also decided, that even if the tax had been illegally imposed by the city, those who paid it voluntarily could not demand it back.

The case was most ably and elaborately argued by Messrs. McMahon and Pressman, on the part of the city, and by Messrs. Meredith and Dulaney, on the part of the stockholders of the banks, in which, we understand, the whole question of the power of taxation, and the numerous decisions in such cases, and the various laws passed on the subject, were brought into review. The effect of the decision is to save the city some twenty or thirty thousand dollars, which a contrary decision would have obliged her to pay.

Balt. Patriot, January 27, 1848.

STOCK SALES ON TIME.

Henry G. Stebbins et al. v. Louis Leo Wolf. Before the Supreme Judicial Court of Massachusetts, December, 1847.

This was an action of assumpsit, brought to recover of the defendant, the sum of \$1512 03, paid by the plaintiffs as difference on 325 shares of Harlem rail road stock, alleged to have been bought by them upon the defendant's order and account, at "sixty days, buyer's option," and not taken by him at maturity. The purchase was made in the city of New York.

All the evidence in the case was in the form of depositions. Many nice points of law were raised by the defendant's counsel, all of which were ruled for him, *pro forma*. There were two points, however, made by him, which, in the view of them taken by the court, settled the case in favor of the defendant.

1st. It appeared, from the testimony of several of the witnesses, that the parties from whom the plaintiffs alleged that they had purchased 300 of the shares in question, had other contracts for sales and purchases of shares in the same stock, during the sixty days, and they declined, on cross examination, to state the number of such shares for which they were further liable. The defendant's counsel, thereupon, took the ground, that the further proof was upon the plaintiffs to take the case out of the stock-jobbing act of New York, and that to do this, it was incumbent upon them to show that these parties had *all* the shares necessary to meet *all* of their contracts of sale in this stock, including the contract in question.

2d. In regard to the remaining twenty-five shares, it appeared, that the seller of these, although he had other liabilities in the same stock, had as many shares as he was under contract to deliver. But the contract in this instance, matured on Sunday, in which case, by the rules of the board of brokers in New York, where all the purchases were alleged to have been made, it would fall due on the Saturday previous. The defendant was not bound by rules of the broker's board, not being a member of that board, and having given no instruction that his order should be executed there, but that he had, at common law, the whole of Monday, in which to meet his engagements, and that, this action having been commenced on that day, it was premature as to these shares.

WILDE, J., ruled both of these points for defendant. He also ruled that a claim for commissions, made by the plaintiffs, for services in the purchases, failed with the rest of the case.

There were many other questions raised in the course of the trial, on the part of the defendant; but as those above referred to disposed of the case, no mention has been made of them. The questions of law were reserved for the decision of the full court.

The jury, under the ruling of the court, found their verdict for the defendant.

Wm. H. Gardiner and Geo. W. Phillips, for the plaintiff. A. H. Fiske, for the defendant.

PLEDGED STOCK.

The Charleston Mercury contains a report of an important case recently decided in South Carolina, from which we gather the following facts: The Charleston Bank, it appears, loaned a customer \$30,000, and received in pledge stock of the Rail Road and Bank Company to the amount of 544 shares, as collateral security. The note was not paid at maturity; and at the request of the debtor, time was given from 8th December, 1838, to January 4, 1842; when, after full notice, the stock was sold in open market by a broker, and bid off at the full market price, by the president of the bank, who caused the amount of sales to be carried to the credit of the debt. The stock was bid off at about \$15 per share; some months after it appreciated,

and was sold at a considerable profit. In November, 1845, a bill was filed to compel the bank to give credit for their re-sale, on the ground that, being trustees to sell, they could not buy themselves, and, as trustees, must account for all their profits to their "*cestui que trust*," and so chancellor Job Johnson, in an elaborate decree, decided. An appeal was taken by the bank to the Appeal Court of Equity, and was argued at its late sitting, by B. F. Hunt and C. G. Memminger, Esq's, for appellant, and Mr. Bailey, attorney general, and Mr. Hayne, for the appellee. The appeal court reversed the decree, and dismissed the bill, thus affirming the validity of the sale. Many large cases were awaiting this decision, and thousands would have been put into litigation if the decree had been sustained. The positions maintained by the bank, and sustained by the appeal court, were these :

Grounds of Appeal.—1st. Because, after the default, there was in fact no fiduciary relations between the bank and its borrower, in the just sense of the terms. There was no obligation to serve, and no compensation for service. The stock was actually sold to the bank, and transferred at the inception of the debt, and after the default was the property of the bank, who were only bound to give credit for it at the time payment was peremptorily demanded, which they did.

2d. Because the usage of banks is obligatory on its customers, authorising, in case a redemption is not effected, a sale by a public broker, as a common agent ; and the creditor, having an interest, is authorised to protect his interest, by bidding ; otherwise, in case of insolvency of the debtor, they could not secure themselves by giving the highest bid at auction.

LIABILITY OF ENDORSERS.

Commercial Bank of New Orleans v. Brand. Before the Louisiana District Court, December, 1847. Judge Strawbridge presiding:

The facts are briefly these: Several years ago, Geo. Buchanan and others sold to A. & J. Wetzel, at auction, certain real estate, for which the latter gave their notes with Brand as payee and endorser. Several other parties were subsequent endorsers. The Commercial Bank discounted the notes, and failing to prove notice of protest to Brand, as "endorser," attempted to make him liable as "surety," and contended that as surety he was not entitled to any notice. We understand the law to be clearly settled on the question.

The plaintiff having failed to show notice of demand, &c. to the endorser, now insists that this was not necessary, as the endorser having put his name on the back of the note previously to delivery, and not for the purpose of negotiation, can only be considered as surety, and is not, therefore entitled to notice ; and authorities from the decisions of our supreme court have been referred to to sustain the position. So far as these decisions relate to cases where those not in any manner parties to the note, I fully acquiesce in them. If any of them have gone further, and declare that one who has been a party to the note, and in this character endorsed it, I greatly doubt whether it dispenses with notice of protest. From the research time has enabled me to make, I do not find any of them have so settled it. Glad I should be to see this branch of commercial law reformed, and cleared from the mass of technicalities which have gathered around it, and rendered, what should be one of the plainest, one of the most abstruse. I regard this case as approaching in character what is termed an accommodation note more than any other. In this it is perfectly well understood that the endorser is but a surety, and yet it is most unquestionable, as a legal principle, that an accommodation endorser is entitled to notice.

A thousand auction sales take place in a year, aye, ten thousand: both real and personal estates are advertised to be settled for by approved endorsed notes. I have never known of a case under such a contract where the holder of the note was dispensed from the obligation of giving notice—the reason given for it (a very familiar one in nine cases out of ten) being that the endorser is thereby enabled to look to the means of securing himself, is just as strong in these as in any other case. The law of promissory notes is an exception to contracts generally, and where parties choose to place their obligations in this form, I think they should be held to the consequences, as in any other act of simulation, however innocent.

It has been settled both by the Supreme Court of the United States and the Supreme Court of this state, that where the note is marked "*ne variatur*," it is not incumbent on the holder to look into the consideration. The plaintiffs in this case, it is to be observed, are not parties to whom the note, thus endorsed, was given. The presumption is, from the endorsement, that they took it in the common course of trade, most probably discounted it.

I cannot consent to be the first to unsettle the decisions which form as it were landmarks in the law merchant, with the reflection, that if I err, there is another tribunal to correct the error, with more time and better opportunities of information. I give judgment for the defendant, with costs.

The point decided may prove of importance to persons selling real estate for "approved endorsed notes."—*Della*.

COMMERCE OF GREAT BRITAIN.

The following extracts are taken from the "British Almanac for 1848," one of the most useful of the numerous statistical works issued from the press of Great Britain. In the volume now referred to, there are valuable articles relating to Decimal Coinage, Railways of Great Britain, Health of Towns, Odd Fellows and Friendly Societies, Fluctuation of Public Funds, with lists of officers employed abroad and at home by the British Government.

An account of the Exports of the principal articles of British and Irish Produce and Manufactures, in the year ending 5th January, 1847.

Declared value of the exportations in the year 1846.

Butter.....	£ 186,975	Machinery.....	£1,161,066
Candles.....	53,931	Metal, viz.—Iron and steel...	4,174,568
Cheese.....	24,028	Copper and brass.....	1,555,006
Coals and Culm.....	972,669	Lead.....	147,614
Cotton manufactures.....	17,726,966	Tin, unwrought.....	107,759
——Yarn.....	7,573,727	Tin plates.....	640,567
Earthenware.....	793,978	Salt.....	205,450
Fish, viz.—Herrings.....	200,225	Silk manufactures.....	837,577
Glass.....	262,865	Soap.....	149,186
Hardwares and Cutlery.....	2,180,057	Sugar, refined.....	394,146
Leather, wrought & unwrought	332,426	Wool, sheep or lambs'.....	342,848
Linen manufactures.....	2,838,384	Woollen yarn.....	907,893
——Yarn.....	875,556	Woollen manufactures.....	6,334,296
Total			£ 51,279,735

A return of the number and tonnage of British ships entered inwards from and cleared outwards to ports in Europe, not being British possessions, in each year since 1820.

Years.	Entered Inwards.		Cleared Outwards.	
	Ships.	Tonnage.	Ships.	Tonnage.
1821.....	6,044	690,656	5,013	555,628
1822.....	6,252	765,677	4,951	588,741
1823.....	5,915	733,442	4,557	553,543
1824.....	6,194	761,551	4,762	603,600
1825.....	7,960	1,067,085	5,339	701,932
1826.....	6,920	872,787	5,495	684,040
1827.....	8,073	1,075,124	6,038	811,933
1828.....	7,710	990,420	6,362	816,666
1829.....	7,803	1,044,626	6,801	911,766
1830.....	7,616	1,016,393	6,758	896,603
1831.....	8,575	1,140,736	7,634	1,028,063
1832.....	7,263	959,658	6,799	889,156
1833.....	7,006	921,542	6,754	896,719
1834.....	7,364	988,719	6,998	941,680
1835.....	7,443	1,004,412	7,184	983,229
1836.....	7,746	1,086,205	7,530	1,070,338
1837.....	8,423	1,178,151	8,050	1,156,981
1838.....	9,087	1,289,980	9,060	1,319,097
1839.....	10,304	1,517,115	9,877	1,471,291
1840.....	10,157	1,466,150	9,849	1,439,575
1841.....	10,470	1,466,644	10,625	1,527,619
1842.....	11,568	1,649,605	11,488	1,650,504
1843.....	11,395	1,591,215	11,384	1,627,610
1844.....	11,624	1,608,110	11,414	1,620,088
1845.....	12,305	1,753,676	12,452	1,843,186
1846.....	13,615	1,981,322	13,467	2,029,288

A statement of the tonnage of British ships that entered the ports of the United Kingdom from different foreign countries and British possessions in each of the years 1824 and 1846; distinguishing the trade which is protected by the Navigation Laws, from the trade which is unprotected from competition with foreign ships.

<i>Protected Trade.</i>	1824.	1846.
Coast of Africa and Cape of Good Hope..... tons	20,742	52,173
St. Helena and Ascension.....	477	709
Mauritius.....	2,197	34,866
British India.....	48,666	207,991
British North American Colonies.....	427,832	1,076,162
Australian Colonies.....	4,073	39,129
British West Indies.....	244,971	183,742
Fisheries.....	45,925	15,191
Jersey, Guernsey, &c.....	98,214	125,961
Increase 842,827 tons, or 94.37 per cent.....	893,097	1,735,924

<i>Unprotected Trade.</i>		1824.	1846.
Russia.....	tons	239,185	452,438
Sweden.....		17,074	12,625
Norway.....		11,419	3,313
Denmark.....		6,738	9,531
Prussia.....		94,664	63,425
Germany.....		67,345	206,201
United Netherlands.....		68,285	H. 274,067 B. 108,908
France.....		82,650	556,821
Portugal, Azores, and Madeira.....		58,043	74,761
Spain.....		45,723	65,719
Italy.....		40,793	98,868
Gibraltar.....		5,454	14,523
Malta.....		3,324	8,176
Turkey, Morea, and Egypt.....		23,269	} 97,071
Tripoli, Barbary, and Morocco.....		1,174	
China.....		28,270	53,593
Sumatra, Java.....		3,075	8,526
Foreign West Indies.....		9,566	62,240
United States of America.....		44,994	205,123
Mexico and States of South America.....		46,787	170,611
Ionian Islands.....		6,391	11,570
Cape Verd Islands.....			168
South Sea Islands.....		5	531
Increase 1,654,586 tons, or 182 98 per cent.....		904,223	2,558,808

Total declared value of the British and Irish Produce and Manufactures exported from the United Kingdom in each year, from 1827 to 1846.

1827.....	£37,181,335	1837.....	£42,070,744
1828.....	36,812,756	1838.....	50,060,970
1829.....	35,842,623	1839.....	53,233,580
1830.....	38,271,597	1840.....	51,406,430
1831.....	37,164,372	1841.....	51,634,623
1832.....	36,450,594	1842.....	47,351,023
1833.....	39,667,347	1843.....	52,279,709
1834.....	41,649,191	1844.....	58,584,292
1835.....	47,372,270	1845.....	60,111,082
1836.....	53,368,572	1846.....	51,279,735

A statement of the tonnage, distinguishing British from foreign, that entered inwards and cleared outwards from ports in the United Kingdom, in each of the years 1814, 1824, and 1846.

Years.	Entered.		Cleared.		Total.	
	British.	Foreign.	British.	Foreign.	British.	Total.
1814	1,290,248	599,287	1,271,952	602,941	2,562,200	1,202,228 3,764,428
1824	1,797,390	759,441	1,657,533	746,707	3,454,853	1,506,148 4,961,001
1846	4,294,733	1,806,282	4,393,415	1,921,159	8,688,148	3,727,438 12,415,586

MEXICO.

REVIEW OF PRESCOTT'S MEXICO.

From the Gentleman's Magazine.

LET us begin our extracts with one where our author introduces us to the country and the people where the scene of his history is to be laid:—"Midway across the continent, yet somewhat nearer to the Pacific than the Atlantic, at an elevation of nearly seven thousand five hundred feet above the level of the sea, is the celebrated valley of Mexico. It is of an oval form, about sixty-seven leagues in circumference, encompassed by lofty ramparts of porphyritic rock, and the soil white with the incrustation of salts. Five lakes are spread over its surface, occupying about a fifth of its extent. Here stood the cities of Mexico and Tezucó, the capitals of the two states of Anahuac; "whose history," says the author, "with that of the mysterious races that preceded them, exhibits some of the nearest approaches to civilization to be met with anciently on the American continent." Of these races the most conspicuous were the Toltecs, who entered the territory of Anahuac probably about the close of the seventh century, but from what region they came is uncertain. Remains of the extensive buildings which formed their ancient capital of Tula, were still remaining at the time of the conquest. After a period of about four centuries, this people, who had extended their sway over the remotest borders of Anahuac, disappeared from the land as silently and as mysteriously as they had entered it. A few, perhaps, lingered behind, but the greater number of them spread over the region of Central America, and the traveller now speculates on the ruins of Mitla and Palenque as possibly the work of this extraordinary people, since whose existence so many ages have rolled away. As the author says, their shadowy history reminds us of those primitive races who preceded the ancient Egyptians in the march of civilization. These were succeeded by a numerous and rude tribe called the Chichimecs, and after them came the Aztecs or Mexicans, and the Acolhuans, better known as Tezcucans, from the name of their capital, on the eastern border of the Mexican lake. The Mexicans came also from the remote regions of the north, and arrived on the borders of Anahuac towards the beginning of the thirteenth century, and after wandering in an unsettled state for some period, probably halted on the southern borders of that lake in 1325. They laid the foundation of their capital by sinking poles into the shallows of the lake, and they named it after their war-god *Mexitli*. Such were the humble beginnings of the Venice of the western world. Soon after this, a league was formed between Mexico, Tezucó, and the neighboring kingdom of Tlacopan, so remarkable, as to be said to have no parallel in history; they agreed to support each other in war, and that in the distribution of the spoil one-fifth should be assigned to Tlacopan, and the remainder divided between the other powers. Success crowned the warlike adventures of the confederacy; and by the middle of the fifteenth century, under the reign of the first Montezuma, the dominion spread down to the borders of the gulf of Mexico. The throne was filled by a succession of able monarchs: no state was able to meet the accumulated strength of the confederates; year after year their armies returned home laden with spoils of conquered cities, and with throngs of devoted captives. At the beginning of the sixteenth century, just before the

arrival of the Spaniards the Aztec dominion reached across the continent, from the Atlantic to the Pacific, and they penetrated even into the farthest corners of Guatemala and Nicaragua. The history of the Aztecs is said to present some striking resemblance to that of the Romans in the early stages of their history; particularly in the policy of associating themselves in wars, with other states, as principals.

"Whether these unparalleled outrages furnish a sufficient plea to the Spaniards for their invasion; whether, with the Protestant, we are content to find a warrant for it in the natural rights and demands of civilization, or with the Roman Catholic, in the good pleasure of the Pope—on the one or the other of which grounds, the conquests by most christian nations in the east and the west have been defended—it is unnecessary to discuss, as it has already been considered in a former chapter. It is more material to inquire, whether, assuming the right, the conquest of Mexico was conducted with a proper regard to the claims of humanity. And here we must admit, that, with all allowance for the ferocity of the age and the laxity of its principles, there are passages which every Spaniard who cherishes the fame of his countrymen would be glad to see expunged from their history; passages not to be vindicated on the score of self-defence, or of necessity of any kind, and which must for ever leave a dark spot on the annals of the conquest."

But we may ask, are the military annals of any nation free from the stain of cruelty, ferocity, and atrocity in its worst forms? Are our own, even in our own times? He who would flatter himself with this belief, should read col. Napier's account of the taking of St. Sebastian, where he says that language fails him to describe the unparalleled horrors that took place; but to describe them would be impossible, even to mention such abominations is to defile the pages of history; but all that rapacity, lust and drunkenness, stimulated by revenge, could do, was witnessed there; and the very atrocity alone preserves them from our full execration, because it makes it impossible to describe them. Mr. Prescott openly declares that the atrocities committed by the soldiers of Cortes at Cholula were not so bad as those inflicted in the late war of the Peninsula by the most polished nation of our time—by the British at Badajos. Vide ii, p. 31. *Part* of Napier's narrative is as follows: (Napier's Peninsular War, vol. vi, p. 205, Storming of St. Sebastian.) "This storm seemed to be the signal of hell for the perpetration of villainy which would have shamed the most ferocious barbarians of antiquity. At Ciudad Rodrigo, intoxication and plunder had been the principal object; at Badajos lust and murder were joined to rapine and drunkenness; but at San Sebastian the direst, the most revolting, cruelty was added to the catalogue of crimes. One atrocity of which a girl of seventeen was the victim, staggers the mind by its enormous, incredible, indescribable barbarity. Some order was at first maintained, but the resolution of the troops to throw off discipline was quickly made manifest. A British staff-officer was pursued with a volley of small arms, and escaped with difficulty from men who mistook him for the provost-martial of the fifth division; a Portuguese adjutant, who endeavored to prevent some atrocity, was put to death in the market place, not with sudden violence from a single ruffian, but deliberately by a number of English soldiers. Many officers exerted themselves to preserve order, many men were well conducted, but the rapine and violence commenced by villains soon spread, the camp followers crowded into the place, and the disorder continued until the flames, following the steps of the plunderer, put an end to his ferocity by destroying the whole town."

It appears to us that no nation has ever been discovered in the same singular stage of society in which the Mexicans were at the time of the con-

quest, appearing either barbarous or refined, according to the aspect in which they are viewed. They are described as most ferocious in warfare, yet they never scalped their enemies, as was the custom of the northern tribes. They felt all the intense hatred to their enemies which with every cruel passion belongs to man in his brutal and benighted state, and they united not the delicate and chivalrous feelings of polished and refined nations. While closely besieging a neighboring city, the Aztec nobles sent presents of fruits and provisions to the chiefs of the forces opposed to them, a species of military gallantry and generosity that we read of in the wars of Louis XIV, but which we should not expect to find among the savage tribes of Anahuac. They were advanced in mathematical science and mechanical arts, and they were also the slaves of a blind, ignorant, fanaticism, and of a loathsome and bloody mythology. With such an enlightened and liberal policy as is not often found in European countries, they allowed success in trade to lead to eminent political power and preferment, while at the same time the taxation of the country was enormous, tyrannical, and unequal. Such are the incongruities to be observed, that while the general character of the nation is described as one of unmitigated ferocity, yet in domestic or social life the intercourse was regulated with all the ceremonial forms of civilised communities, and accompanied with expressions of polite attention or affectionate regard. The obligation of the marriage vow was sanctified by religion, and fully recognised, and the women partook equally with the men in the festivities and refinements of social intercourse. The discipline of children when under tutelage was severe, but the greatest care of morals and the most blameless deportment were maintained; and the modest Aztec maiden, when grown up, was treated with unreserved tenderness, and all the fulness of a parent's love. There was the same contrast and opposition, it has been observed, in the character of the people as there was in the natural features of the country they possessed; where tracks of hopeless sterility—the bristling peaks of the wild sierra, the burning volcano, the dark range of porphyritic rocks, or mountains clothed with perpetual snow, looked down where, in a soft and genial climate, lay the most lovely valleys at their feet, each a paradise upon earth; where the palm and the banana waved their graceful foliage and spread their cooling shade; where knitting branch to branch, flowers of surpassing beauty waved in bright festoons and garlands, filling the air with fragrance; where partially seen through the openings of the forests, extended the blue lake, whose waters, like a polished mirror, seemed to tremble in the light; where birds and insects of the richest plumage and most dazzling colors glittered in the sun; and where a carpet of perpetual verdure was spread, enamelled with the brightest hues of spring, and glowing with all the splendor of tropical vegetation. To reconcile such striking opposition of character and habits, we must fix an attentive look on history, where she tells us that the Aztec nation, as seen by the Spaniards, was formed from the conjunction of two; that on the mild and civilised character of their predecessors, the polished Toltecs, they had grafted their own fiercer and more warlike virtues, even as, in their religious ceremonies, they mixed beautiful flowers with their bloody rites. From long familiarity with a licentious and predatory warfare, they had become a cruel people in their nature, and cruelty is ever allied to superstition. Upon this was founded the supreme power, the uncontrolled authority, of the priesthood, who nurtured it by a rigid system of superstitious terror, by human sacrifices, and butchery of the most brutal kind: add to this, that the throne of Mexico at the time of the invasion of the Spaniards was filled by a monarch who, though of a brave and warlike character in youth, had become effeminate and luxurious in his

habits, and tyrannical in his rule—had oppressed his subjects and offended his nobles, but was still regarded, like the eastern despots, with feelings of awe and admiration by the people. Such was the state of things at that time; and the existence of much discontent and disaffection throughout the empire, and among the higher ranks, showed that it was not a state likely to be permanent—that internal divisions and troubles would probably have taken place, and that in some revolution or change an injured and indignant people might have thrown off at once the yoke of a bloody superstition and a tyrannic despotism, and, under some fortunate and favorite chieftain, have gone out again to conquer, and founded an empire which might have spread over remote countries to the Atlantic shore, and have rivalled in extent and in opulence the glory of the ancient dynasties of the eastern world. It pleased Providence to order things otherwise. The right of conquest over the infidel and heathen was a thing acknowledged and assumed; a holy duty not to be disclaimed or even avoided; a mission to an inferior race ignorant of God, neither worthy of the name nor entitled to the rights of men. The cross of Christ was planted in the battle field. The champion of Christ was he in whose dark and frowning lineaments the destined destroyer might be imagined; the book of God lay beside the battered cuirass and the bruised and blood-stained sword; the religion of Christ came into the land accompanied with carnage, and famine, and desolation; the consuming fire of the conqueror's breath alone could cleanse the pollution of the land; and the idolatrous nation was baptized, not in the waters of their own rivers, but in the blood of themselves and of their children. Thus terminated the history of a people who seemed to bear in the pensive and melancholy expressions of their features, too sure a prognostic of the darkness of their coming destiny, and who all perished, after a vain and fruitless resistance, beneath a power mysterious, irresistible, and unknown. Yet the historian, who surveyed with the clear and comprehensive glance of a philosopher the institution and influencing principles of the people, and fixed his attention on the great results to be drawn from the discoveries, has pronounced his important judgment, not criticising the means but looking to the end, "That the empire of the Aztecs did not fall before its time."

FEMALE SOVEREIGNS.

From the English Review.

With the exception of France, there is no considerable country of Europe which does not boast of its most distinguished female sovereign, whose reign they are accustomed to refer as the most glorious epoch in their annals. Such was the northern Margaret, who united Denmark, Norway, and Sweden, under her fortunate sceptre. Such, the all-excellent Isabella of Castile, who, with her husband Ferdinand, drove the Moors out of Spain, and by her patronage of Columbus annexed the new world to her successor's dominions. Maria Theresa of Austria, who, from the lowest depths of distress, achieved empire through heroic fortitude; and lastly, the great, but not virtuous, Catherine the second, of Russia. This empress most nearly resembles Elizabeth in the vastness of her policy, and its mighty and enduring results; yet she is unworthy of being compared with her; for though Catherine may claim, in all things, equality with the most celebrated of heroes and rulers, she degraded herself to a level with the lowest of her own sex. But our

Elizabeth had no vices; her defects were those incidental to genius, of which she possessed as large a share as ever shone beneath the regal diadem. Her fault was irritability, with impatience of contradiction; her weakness, love of approbation, "that last infirmity of noble minds," carried to excess. This desire of praise sometimes led her to look more to the opinions of men, than her own unbiassed and conscientious judgment; sometimes, exposed her to ridicule by seeking the admiration of persons she despised, towards trifles that were not worthy of her attention. It is sometimes said that her character, though well-fitted for the times in which she ruled, would not be tolerated in our own, when freedom is better understood. But the same sagacity and mental vigor, which adapted itself so admirably to existing circumstances, would not probably have failed in conducting a more regulated state of affairs. It is true that the principles of representative government were little understood in that age, and the lawless despotism of the preceding Tudors had almost trodden out the spirit of our ancient liberty. But it revived with the restoration of the law's supremacy, under the sway of Elizabeth. The poorest man, then, was sure of receiving justice, though he had to plead his cause against the crown. Her temper might have been impetuous, even arbitrary; but her principles were always just; her judgment cool and sound. Without ambition, she abhorred war and conquest; yet never was martial ardor more conspicuous in defence of our native soil. Her reign strikingly shows how much more the power, as the prosperity of a state, is promoted by the arts of peace, than the hollow triumphs of the sword. Though uninstructed in modern habits of superficial restraint, she well understood the nobler science of moral self-government; and having instructed the people in their rights, by always respecting them in her own person, she knew both how to restrain their encroachments, and to yield to their reasonable demands.

The growth of the democratic principle will always keep pace with the spread of knowledge and social improvement; and from this reign we may watch the rise of that formidable power, which, under the feebleness of her successors, attained an eminence fatal to the monarchy. The notable speech of the puritanical Wentworth in the commons, (inveighing, among other topics, against the mercy persisted in towards the queen of Scots,) for sedition and evil-speaking of dignities, would not shame the loudest demagogues of our own days; but the house was not ripe for such diatribes; their member was too much in advance of his times; they heard him long with dismay; but before he had come to a conclusion, he was unanimously silenced, and it was agreed he should be sequestered, and sent to the tower; whence the queen soon after liberated him, though the chief violence of his invectives had been directed against her authority. Dearly as the people of England love liberty of speech and legislation, it must be confessed that they soon get tired of their own supremacy, when it is once acknowledged. Their parliament had scarcely established itself on the ruins of the throne, the aristocracy, and the hierarchy, before it was extinguished by the hand of its own servant, the most unlimited of despots, Cromwell. The house of commons has again, by a more deliberate process, assumed to itself the supreme ruling power of these realms, and already a decided feeling appears to be gradually gaining ground, that it may be possible to discover a more agreeable form of despotism.

But this is ground which must be lightly touched on. Under the smooth, self-flattering mask of polished society there lurks a sense of growing insecurity, a fear of uncertain danger, which all confess, though none agree how it may be averted, or from what quarter the dreaded storm will at last break forth. The splendor of the gilded surface serves but to make more

frightful the misery and corruption beneath. All feel that the hour may be approaching, when a crisis more formidable than those of which our pages have treated, shall require the energies, the self-reliance, and above all, the exalted self-devotion of an Elizabeth, to control and direct the course of its events to a happy termination. Neither have we need to despair; if the promise of youthful firmness and domestic virtues, in high and hitherto unmolested station, can be trusted, then may England once more, under Providence, be indebted to her queen for a renovated and happier existence.

BANKING SYSTEM OF PENNSYLVANIA.

A comparative view of the Banking Policy of Pennsylvania and Rhode Island
From the Philadelphia "Evening Bulletin."

Having, on more than one occasion, avowed our hostility to the monopoly system of banking in this state, and our belief that like all other pursuits, the less it is hampered by legislation the better the business of banking will be transacted, we propose now to draw a very brief parallel between the workings of the two systems as illustrated by the operations of the banks of Rhode Island and of Pennsylvania. In the former state, banking is virtually free: in the latter it is confined to a few institutions. The advocates of our system say that its advantages over the other are greater solidity and regularity in its movements. Let us test this averment by statistical facts. We had prepared for publication tables for the four last years, but find the space they would occupy too great for our limits. We shall, therefore, confine ourselves to showing the aggregates of the condition of the banks of both states in November, 1845, and November, 1847, with the oscillations *plus* and *minus* in that period.

<i>Liabilities.</i>	51 Banks in 1845.	52 Banks in 1847.	Oscillation.
Capital stock.....	16,154,600	17,585,760	1,431,160
Contingent fund and profit and loss..	2,204,988	2,372,337	167,339
Bills in circulation.....	10,107,000	13,737,597	3,630,597
Deposits, public and private.....	14,829,520	15,477,328	647,808
Due to banks.....	3,307,000	4,338,073	1,031,073
Dividends unpaid.....	228,000	273,009	45,009
Miscellaneous items.....	3,103,032	2,175,136	927,896
Total liabilities.....	\$ 49,934,140	\$ 55,959,230	\$ 7,880,888
<i>Resources.</i>			
Bills discounted.....	27,102,507	32,152,451	5,049,944
Specie and treasury notes.....	5,802,230	7,362,659	1,560,429
Bills and checks of other banks.....	2,126,504	3,060,730	934,226
Due from banks.....	2,676,337	3,993,739	1,317,402
Real estate and personal property.....	1,469,996	1,104,375	365,621
Bonds and mortgages.....	1,208,971	1,333,726	124,755
Stocks.....	2,368,077	2,300,612	67,465
Loans (temporary).....	2,234,388	1,949,648	284,740
Post notes, U. S. Bank.....	3,200,064	628,956	2,571,098
Miscellaneous items.....	1,745,076	2,072,334	327,258
Total resources.....	\$ 49,934,140	\$ 55,959,230	\$ 12,602,938

<i>Rhode Island.</i>	61 Banks in 1845.	62 Banks in 1847.	Oscillation.
Capital stock paid in.....	10,324,128	11,023,515	699,387
Bills in circulation.....	2,670,306	2,842,465	172,159
Deposits on interest.....	117,013	195,731	78,717
Deposits not on interest.....	1,378,497	1,267,801	110,696
Due to banks.....	623,562	854,065	230,503
Dividends unpaid.....	28,971	30,817	1,846
Net profits on hand.....	473,367	619,219	145,853
Total liabilities.....	\$ 15,615,843	\$ 16,833,613	\$ 1,439,161
<i>Resources.</i>			
Debts due from directors.....	720,126	675,596	44,500
Debts due from other stockholders...	615,674	602,593	13,081
Debts due from all others.....	12,378,456	13,709,144	330,688
Specie actually in banks.....	238,380	325,237	41,857
Bills of other banks.....	395,425	405,233	9,808
Deposits in other banks.....	671,879	571,981	99,898
Stock in the banks.....	79,757	60,861	18,896
Stock in other banks and other stocks.	192,764	225,583	32,719
Real estate.....	252,491	240,816	11,645
Furniture and other property.....	25,891	16,539	9,362
Total resources.....	\$ 15,615,843	\$ 16,833,613	\$ 612,474

In examining these statements, the first thing that will strike the most unpractised eye is the simplicity of the Rhode Island form, and the mystification of the Pennsylvania form. In the one it is easy to perceive, at a glance, the amount of investments bearing interest, and to form a judgment as to the degree of exhaustion of the banks. In the other it is not possible to do so, for even the specie is mixed up with treasury notes, so that nobody can tell how much there is of either. In the one form, four items comprise every thing that *can* be bearing interest; in the other the items are innumerable, for besides seven that are specified, there is a sweeping one of "miscellaneous items" which may contain as many more.

The next thing that must attract attention is the disproportionate aggregates of the balance sheets of the banks of the respective states as compared with their capital. Thus the balance sheet of the Pennsylvania banks with capitals of \$17,585,760, foots up \$55,959,230. That of the Rhode Island banks with capitals of \$11,023,515, foots up \$16,833,613.

The footing up of the Pennsylvania banks is in round numbers 317 per cent. on their capitals. That of the Rhode Island banks 53 per cent.! To place the Rhode Island Banks in a state of expansion equal to those of Pennsylvania, their balance sheet should foot up \$36,230,000 instead of \$16,833,613.

Nor is this expansion, under our monopoly system, any empty boast. It is meant to bring its fruits to the favored instruments of legislation. Thus while the banks of Rhode Island, where banking is virtually free, can on their actual capital of \$11,023,515, make investments drawing interest to the extent of but \$15,514,623, or about 50 per cent. beyond their capital, the banks of Pennsylvania, under the monopoly system, with nominal capitals of 17,585,760, draw interest according to their last reports, on at least \$41,542,102, or on 136 per cent. beyond their capital! Is this not monstrous? And what is its natural effect? Continual oscillation. Look at that column in the above table; one of more significance than may be at first supposed.

These stable institutions of our monopoly state, with capitals of \$17,585,760, oscillated between 1845 and 1847 more than twelve million six hundred thousand dollars, while the banks of Rhode Island varied in their movement less than one million and a half in the same period. Can any one doubt which system is best for business men? If they still doubt, the examination of the items in the above statements of deposits and circulation will, we think, put their doubts at rest. In 1847 the circulation and deposits of our Pennsylvania banks amounted to \$29,215,925; those of the Rhode Island banks to \$3,925,997, being in the ratio of one to nearly eight, while their capitals were in the ratio of one to one and a half, or thereabouts! Think of it, we say again, is it not monstrous? And how does this vast discrepancy happen? Because in Rhode Island, where banking is virtually free, the business is done *with actual capital*, and the dividends are restrained to an average of about six per cent. per annum; here the business of banking is done *chiefly on credit*, at imminent hazard to our monetary system, and by means of that very hazard, yields, to the favored few, dividends of from seven to fifteen per cent. per annum, averaging between eight and nine. If the institutions of Pennsylvania were managed with the same economy as those of Rhode Island, the dividends to their stockholders would average at least twelve per cent. per annum.

We ask to be relieved from this odious system by a general law, such as exists in Massachusetts, whereby any capitalists so disposed may embark in the business of banking, under certain salutary regulations proved by experience to be sufficient to secure a sound currency. We aver that the capital engaged in this business in Pennsylvania is too small, and that the temptations to overtrade by the favored few are greater than they can resist; that, hence, violent fluctuations occur in the amount of currency attainable by our fellow-citizens engaged in trade, it being at one time a redundant, and inciting them to extend their business unduly, at another time unreasonably restricted, and thus, being enhanced in value, requiring great sacrifices to bring it within their reach. As for example, the currency in Pennsylvania was \$4,278,000 more in 1847 than in 1846, and is now considerably less than it was in the last named year, whilst in Rhode Island the fluctuation amounted in the same period to but \$130,000, while the increase of capital was about in the same proportion in each state.

Much more might be stated to show the superiority of the few over the monopoly system, but enough has perhaps been said for the present. If it awaken a spirit of inquiry and examination into the relative merits of the two systems, our objects will have been attained.

The Banks of Philadelphia and Rhode Island—In giving place, at the request of a Philadelphia correspondent, to the communication respecting the banking systems of Pennsylvania and Rhode Island, we must not be understood as sustaining his views. Our columns are open to a liberal discussion of the comparative merits of the banking systems of the several states, with a view to elicit correct views and sound opinions from those who have reflected upon these subjects.

The bank capital of Rhode Island is large when compared with Pennsylvania, and its proportion of circulation to population is much larger.

Pennsylvania,	population...	1,800,000	Bank capital.....	17,000,000 or \$9 to 1
Rhode Island	"	130,000	"	11,000,000 or 84 to 1
Pennsylvania	"	1,800,000	Circulation.....	11,000,000 or 6 to 1
Rhode Island	"	130,000	"	2,800,000 or 21 to 1

Pennsylvania is better adapted for bank circulation, as all agricultural states are, the population being extensively diffused and less facilities for concentrating bank issues at one place.—*Editor B. M.*

LIFE INSURANCE.

A compilation of interesting and important decisions relating to policies of life insurance. This series will be continued so as to include the latest cases in the English and American Courts.

ROSS v. BRADSHAW, 1 Bl. 312.

An insurance was made on the life of sir James Ross for one year from October, 1759 to October, 1760: the life was warranted in good health at the time of making the policy.

In an action on the policy it appeared that sir James had received a wound in his loins at the battle of La Feldt in the year 1747, which had occasioned a partial relaxation or palsy, so that he could not retain his urine or fæces, and which was not mentioned to the insurer.

Sir James died of malignant fever within the time of the insurance. All the physicians and surgeons who were examined for the plaintiff swore that the wound had no sort of connection with the fever; that the want of retention was not a disorder shortening life; and that he might, notwithstanding, have lived to the ordinary age. The surgeons who opened him said that his intestines were all sound. For the defence, a physician stated that the want of retention was paralytic; but, being asked to explain, said it was only a local palsy arising from the wound, but did not affect life. On the whole, however, the witness did not look upon the insured as a good life.

Per Lord Mansfield.—No question of fraud can exist in this case. When a man makes an insurance upon a life, generally, without any warranty of the state of the life insured, the insurers take all the risk, unless some fraud be committed by the person insuring, either by suppressing some circumstances which he knew, or by alleging what was false; but if the insured knew no more than the insurer, the latter takes the risk. Wherever there is a warranty, it must, at all events, be proved that the party was a good life, which makes the question on a warranty much larger than on fraud. Here there was a warranty, and it is proved there was no representation at all as to the state of the life, nor any question asked about: nor was it necessary. Where an insurance is upon a representation, every material circumstance should be mentioned, such as age, way of life, &c. But where there is a warranty, then nothing need be told; but it must, in general, be proved, if litigated, that the life was in fact a good one; and so it may be, though he had a particular infirmity. The only question is, whether he was in a reasonable good state of health, and 'such a life as ought to be insured on common terms.'

The jury found for the plaintiff without going out of court.

WILLIS v. POOLE.

An insurance was made on the life of Sir Simeon Stuart, from the 1st of April, 1779, to the 1st of April, 1780, and during the life of Eliza Edgely Ewer.

The policy contained a warranty that sir Simeon was about 57 years of age, and in good health, when the policy was underwritten, and that Mrs. Ewer was about 78 years of age.

It appeared that, though sir Simeon was troubled with spasms and

cramps, from violent fits of the gout, he was in as good a state of health when that policy was underwritten as he had enjoyed for a long time before.

It was also proved by the broker who effected the policy that the insurers were told that sir Simeon was subject to gout; and Dr. Heberden and other gentlemen of the faculty proved that spasms and convulsions were symptoms incidental to gout.

It appeared that sir Simeon died within the period of insurance.

Per Lord Mansfield.—The imperfection of language is such that we have not words for every different idea; and the real intention of the parties must be found out by the subject-matter. By the present policy the life is warranted to some of the underwriters *in health*; to others, *in good health*; and yet there was no difference in point of fact. *Such a warranty can never mean that a man has not in him the seeds of some disorder.* We are all born with the seeds of mortality in us. A man subject to the gout is a life capable of being insured, if he has no sickness at the time to make it an unequal contract.

Verdict for the plaintiff.

STACKPOLE v. SIMON.

An insurance was effected on the life of a person of the name of Drury Sheppy, for one year from the 1st of April, 1777, to the 1st of April, 1778.

The interest of the plaintiff in the life was a debt of £900 due from Sheppy.

It appeared on the trial that Sheppy had a situation in the customs in Ireland, and went to the south of France for the benefit of his health or to avoid his creditors, and there died within the time limited by the policy. The broker who effected the policy told the underwriters that the gentleman for whom he acted would not warrant anything; but, from the account he (the broker) had received, he believed the life to be a good one.

Lord Mansfield.—As to the interest, this policy may be considered as a collateral security for the debt due to the plaintiff. When there is no warranty, the underwriter runs the risk of its being a good life or not. If there be a concealment of any knowledge of the state of the life it is a fraud. It is a rule that every subsequent underwriter gives credit to the representation made to the first; and it is allowed that any subsequent underwriter may give in evidence a misrepresentation to the first. The broker here does not pretend to any knowledge of his own, but speaks from information. There is no fraud in him.

Verdict for the plaintiff.

The most remarkable feature in this case is, that it does not appear what the *information* was from which the broker spoke: if he had, in fact, received no information on the subject, his statement to the underwriters would have been a misrepresentation.

DWYER v. EDIE, *Hilary*, 1788.

By a memorandum at the foot of the policy, it was declared that it was intended to cover the sum of £5000 due from James Russell (the party on whose life the insurance was effected) to the plaintiff, for which Russell had given his note, payable in one year, from the 14th of March, 1784.

Two objections were made on the part of the defendant:—

First, That part of the consideration of the note was money won at play.

Secondly, That Russell, when he gave the note, was an infant.

Mr. Justice Buller nonsuited the plaintiff on the ground that, as part of the consideration of the note was for a gaming transaction, there was a want of interest in the plaintiff.

But as to the objection of Russell's infancy, his lordship said the interest was contingent; for Russell might or might not have avoided the note; and his lordship doubted much whether, till so avoided, the note must not be taken, *as against a third person*, to be the note of a person of full age: and the maker of the note only, could take the objection.

ANDERSON v. EDIE, K. B., 1795.

An insurance was effected on the life of lord Newhaven, by the plaintiff, on the 1st of December, 1792; and, in an action on the policy, the only question raised was as to the plaintiff's interest.

It appeared that lord Newhaven was indebted to the plaintiff and a Mr. Mitchell in a large sum of money, part of which debt had been assigned by them to another person: the remainder, being more than the amount of the sum insured, was, upon a settlement of accounts between the plaintiff and Mitchell, agreed by them to remain to the account of Mitchell.

Lord Kenyon was of opinion that this debt was a sufficient interest: he said it was singular that this question had never been directly decided before: a creditor had certainly an interest in the life of his debtor, because the means by which he was to be satisfied might materially depend upon it; and that, at all events, the death must, in all cases, in some degree lessen the security.—Verdict for the plaintiff.

The above doctrine of lord Kenyon has been thought too general. By the third section of the act 14 Geo. III., cap. 48, it is provided, 'that in all cases, where the insured hath an interest in such life or lives, event or events, no greater sum shall be recovered or received from the insurer or insurers than the amount or value of the interest of the insured in such life or lives, or other event or events.' It has been asked, in a case where the debt is amply secured, by mortgage or otherwise, what can be the 'amount or value' of the creditor's interest in the life? Surely nothing that a jury could estimate!—*Vide Marshall on Insurances.*

GODSALL AND OTHERS v. BALDERO, 9 East, 72.

The plaintiffs were coachmakers in Long Acre, and, on the 29th of November, 1803, effected an insurance with the Pelican Life Insurance Company on the life of the right honorable William Pitt, for £500, for seven years, at an annual premium of £15 15s.

It appeared that Mr. Pitt, at the time of effecting the policy, and thence to the time of his death, was indebted to the plaintiffs in more than £500, and died insolvent. After his death, and before the commencement of the suit, Mr. Pitt's executors paid to the plaintiffs, out of the money granted by parliament for the discharge of his debts, £1109 11s. 6d. in full for the debt due to them from Mr. Pitt.

The court determined that the plaintiffs were not entitled to recover.

They held that this insurance, like every other to which the law gives effect, is, in its nature, a contract of *indemnity*, as distinguished from a *wager*. The interest which the plaintiffs had in the life of Mr. Pitt was that of creditors, where the probability of payment depended on the continuance of his life, and the indemnity sought by the insurance was against the loss which might result from his death.

The action was, therefore, founded on a supposed damnification of the plaintiffs, occasioned by his death, and *existing at the time of the action brought*. And, consequently, if, before the action brought, the damages occasioned by his death were prevented by payment of his debt, the ground of the action was taken away.

From the above case it is clear that there must not only be an interest in the life at the time of effecting the policy, but also a continuing interest to the time of the demand made upon the office, though most offices, we believe, are in the habit now of paying the amount without troubling themselves to ascertain or inquire about the amount of interest of the party claiming.—*Vide Barber v. Morris*, Post.

SIR WM. FORBES AND OTHERS v. THE EDINBURG LIFE ASSURANCE COMPANY, March, 1830.

This was an action tried in the Jury Court at Edinburgh, and was brought to recover £3000 sterling, on a policy of assurance effected on the life of the earl of Mar.

It appeared from the evidence on the part of the plaintiffs (pursuers as termed in the Scotch courts) that the earl of Mar, who had been some years absent from Scotland, was, on his return, an early riser; was very tasteful in his gardens and plantations; paid particular attention to business; his memory was good; he spent much time in reading; and, in short, the witnesses were led to conclude he was in the enjoyment of perfectly good health.

His lordship, however, met with a disappointment on ascertaining the true state of his affairs at his father's death; subsequently he kept no company, sank gradually into deep melancholy, and, sometimes, so neglected himself as not to shave for a week or two. Lord Abercromby deposed to holding several conversations with the earl of Mar; never saw him under the influence of ardent spirits or any stupifying drug; on the contrary, he was cool and collected, and Lord Abercromby attributed his retired habits and settled melancholy to his embarrassments.

The grounds of defence were threefold:—First, concealment of the fact that the earl used opium to a pernicious extent: Secondly, that it was untrue that Lord Mar was temperate and took exercise; whereas he was intemperate, and sedentary, and inactive in the extreme: Thirdly, that it was untrue that his lordship was in good health at the date of the policy, when, in point of fact, he was in unsound and broken health.

Witnesses were called to support the defence, but not to the satisfaction of the jury, who found in favor of the pursuers (plaintiffs.)

LANAUZE v. BENT AND OTHERS, K. B., June, 1830.

Is a curious case, tried in the Court of King's Bench, London, but is somewhat imperfectly reported.

It seems that the plaintiff held bills of exchange to the amount of £3800, accepted by J. Clark, esq., the managing director of 'The European Company.' Several bills of a similar kind had previously passed through the plaintiff's hands, and had been regularly paid until the bills on which the present action was brought became due—these were dishonored.

The plaintiff sought to make the other directors liable, on the ground that the bills were accepted for the benefit of the company, and that the former bills had been paid out of the company's effects; but not having satisfactory evidence of the latter circumstance, he was nonsuited.

MAYNARD v. RHODE AND OTHERS, K. B.

An action against the Pelican office by the plaintiff, who had lent two sums of money to colonel Lyon, secured by annuity and two policies of assurance.

The defence was, that on the first occasion, to the usual question, "Who is your medical attendant?" Colonel Lyon replied, "Mr. Guy, of Chichester;" and stated that he was in good health. On the second occasion (14th of June,) the colonel stated, "I have not had occasion for medical advice since my last appearance at this office on the 23d of May." Whereas it would appear that the colonel was not in good health at the time of effecting the policies; and in the interval between the 16th of May, when the first policy was effected, and the 14th of June, the date of the second, during which time he had stated he had not occasion for medical advice, he was taking the most violent medicines, and had been repeatedly bled to relieve him from a determination of blood to the head. Mr. Guy had not seen the colonel for two or three years before the periods of effecting the policies. It was contended that, if these facts were proved, the colonel had not only concealed material facts from the office, but had also made gross misrepresentations; and he being in the matter of the policies the agent of the plaintiff, the latter must stand or fall by what the agent had done.

Witnesses were examined, and the jury found for the defendants.

EVANS v. COX AND OTHERS, K. B., February, 1831.

An action against the British Commercial Insurance Company, to recover £2500, effected on the life of Ann Elsworthy.

Miss Elsworthy had been lady's-maid to the plaintiff, but had since commenced business as a dress-maker. It was alleged that the plaintiff had lent Miss Elsworthy £2500 on her note of hand, besides making further advances. The plaintiff effected the present insurance, and one in the Globe for £700. The objections were, that the plaintiff had no insurable interest; that, indeed, she had received more than £2500, as executrix under Miss Elsworthy's will; the latter having insured her own life to the amount of £3000 in the Economic Office. Thirdly, that Miss Elsworthy was not in a good state of health when insured, and was addicted to dram-drinking.

Much conflicting evidence was adduced as is not unfrequent in actions on policies of assurance. On the part of the defence, a surgeon proved that he had attended Miss Elsworthy, who was then ill of cholera morbus—it was in February after the policy was effected; she recovered in about a fortnight. A great number of witnesses spoke to Miss Elsworthy's habits, &c., with a view to make it appear she was addicted to drunkenness. The jury, however, found for the plaintiff.

The most remarkable circumstances in this case were—first, lord Tenterden's remark, that the policy of assurance on which the action was brought contained a clause of warranty, which he did not recollect to have seen in the policies of any other office; that clause was a warranty, on the part of the plaintiff, that the person whose life was assured had led, and continued to lead, a temperate life. And, secondly, the astounding statement of the defendant's counsel, that the plaintiff (a lady of respectable family, and the widow of an officer) had insured her sister's life in the west of England for £2700, and in the Promoter for £2500. Her father had effected an insurance on his own life, the amount of which descended to the plaintiff as

one of his executors. The plaintiff also effected an insurance on her mother's life; and in the same year, when the two insurances for £5200 were effected on her sister's life the plaintiff endeavored to insure in six other offices. Such a mania for insurance was seldom met with. The plaintiff's father and sister died of cholera, as did Miss Elsworthy, and it was strongly suspected that the plaintiff's mother died of the same disease. The case, certainly, was not without suspicion.

In the Michaelmas Term following, a rule for a new trial was made absolute, lord Tenterden observing that the case ought to be submitted to another jury; and as anything that fell from his lordship might have some effect on their minds, he would not make any remarks on the evidence. The rule would, therefore, be made absolute on payment of costs by the defendants.

BARBER, EXECUTRIX v. MORRIS, April, 1831.

The defendant had, in 1813, purchased an annuity of £100 from the Rev. Mr. Hornby, for a sum of £700; the annuity to cease on payment of the £700 after three months' notice.

For his own security, the defendant insured Mr. Hornby's life at the Pelican Insurance Office.

In 1824 Hornby gave notice that he meant to pay the £700, at the end of the three months from the date of the notice.

The defendant then caused the policy to be sold by auction, and it was purchased by the plaintiff's testator, an attorney, who gave £64 for it.

The purchaser's widow, the plaintiff, brought the present action to recover back the purchase-money, on the ground that the policy, when sold, was worth nothing, or about to become worth nothing.

From the report, it does not appear very clearly why the plaintiff resorted to the action: for it seems that a witness, from the Pelican office, proved that the office was not in the habit of inquiring whether there was any continuing interest or not, but of paying when the event happened.

Lord Tenterden left it to the jury to say whether there was any misrepresentation or concealment on the part of the defendant at the time of the sale; and the jury, being of opinion there was not, found for the defendant.

An application was made for a rule *nisi* for a new trial, on the ground that the defendant knew, at the time of sale, that the interest was about to cease, and, consequently, that the liability of the office was about to cease also, and there was no evidence that he communicated that circumstance to the purchaser, and this was a concealment. The witness from the office proved that they made no inquiry whether the interest continued or not, but paid on the event; but it was contended they were not bound to do so, and that the practice was illegal.

By the Court. The purchaser, whether he made inquiries or not, meant to take his chance of payment by the office: and as the jury negatived any fraud or concealment, the defendant was not bound to refund the price.

The decision in "*Barber v. Morris*" is altogether a remarkable one. It is abundantly clear that, if the defendant Morris had continued to hold the policy, he could not, in point of law, after the decision in Mr. Pitt's case, have succeeded against the insurers; and the assignment to Barber must, therefore, have been a mere nullity. The court were of opinion that the purchase was speculative, Barber being content to run all risks: nothing of the kind, however, appears from the report as given in evidence.

HALFORD v. KYMER, 10 B. and C., 722. (1831.)

By a policy of assurance, dated the 13th of February, 1826, the directors of the Asylum Life Insurance Company agreed with the plaintiff to insure the life of R. B. Halford, the son of the plaintiff, in the sum of £5000, for the term of two years, and covenanted that, if the said R. B. Halford should die at any time within the term of two years, to be computed from the day of the date of the policy, the funds of the company should be liable to pay, within eight calendar months, after proof of the death of the said R. B. Halford within the said term of two years to the plaintiff, the sum of £5000.

Plea, first, that at the time of making the policy the plaintiff was not interested in the life of the said R. B. Halford.

Secondly, that at the time of the death of the said R. B. Halford, the plaintiff, was not interested in his life.

At the sittings after Easter Term, 1831, at Westminster, the action was tried before Lord Tenterden, and it appeared that,

By a settlement made on the marriage of the plaintiff, certain moneys were settled, subject to trusts for the lives of the plaintiff and his wife, in trust for the children or child of the marriage, according to the appointment of the plaintiff and his wife; and in default of appointment, and if there should be one child only, then in trust for such child, to become a vested interest at 21 years.

There was only one child of the marriage, the said R. B. Halford: and the marriage being dissolved by act of parliament, the plaintiff married again, and effected the policy in question to provide against the death of his son, R. B. Halford, before he attained 21.

The said R. B. Halford attained 21 on the 2d of June, 1827; and on the 5th of January, 1828, made his will, and thereby gave all his real and personal estate to his father, the plaintiff, appointing him sole executor, and died on the 11th of January, 1828.

The plaintiff, on the 17th July, 1828, proved his son's will in the Prerogative Court of the Archbishop of Canterbury.

Lord Tenterden was of opinion that, the plaintiff not having any pecuniary interest in the life of his son at the time when he effected the policy, the same was void by the statute of 14 Geo. III., cap. 48, sec. 3, and he nonsuited the plaintiff, reserving liberty to him to move to enter a verdict, if the court should be of opinion that he had an insurable interest.

F. Pollock moved accordingly, and contended, at great length, that a party had an insurable interest in the life of his wife, child, or servant.

(During the argument, Bayley, Justice, quoted the case of "*Innes v. The Equitable Assurance Company*," tried before lord Kenyon. Innes had effected a policy on the life of his daughter. In order to show that he had an interest, he produced a paper, purporting to be a will, by which it appeared that he was entitled to the sum of £1000 in the event of her dying under the age of 21 years. One Gardiner swore that he was a subscribing witness to the will, and that it was made at Glasgow, and that he was acquainted with the other subscribing witnesses: but another of those witnesses stated that it was not made at Glasgow, but by a schoolmaster in the borough. Innes was tried, convicted, and executed for forgery; and Gardiner, who had sworn that the will was made at Glasgow, was convicted of perjury.)

Lord Tenterden. I retain the opinion which I expressed at the trial, that the word interest in this statute means pecuniary interest.

Mr. Justice Bayley. It is enacted by the third section, "that no greater sum shall be recovered than the amount of the value of the interest of the

insured in the life or lives." Now what was the amount or the value of the interest of the party insuring in this case? Not one farthing certainly. It has been said, there are numerous instances in which a father has effected an insurance on the life of his son. If a father, wishing to give his son some property to dispose of, make an insurance on the son's life in the son's name, not for his (the father's) benefit, but for the benefit of the son, there is no law to prevent his doing so: but that is a transaction quite different from the present; and if a notion prevails that such an insurance as the one in question is valid, the sooner it is corrected the better.—Rule refused.

DUCKETT v. WILLIAMS, Exchequer, December, 1831.

An action by the directors of the Provident Office against the Hope, to recover £5000 effected on the life of John Stephenson.

The defence was, that the defendants had been imposed upon by the representation of Mr. Stephenson being in sound health at the time of the insurance, when he was, in fact, laboring under a dangerous disorder.

A great deal of evidence was given in this case; and, from the statement of the witnesses for the defence, it certainly did appear that Mr. Stephenson's bodily health was in a deplorable state.

The jury found for the defendant.

In the following Hilary Term a rule was made absolute for a new trial, on payment of costs, the plaintiffs limiting their recovery to the amount of premiums paid to the office.

In December, 1832, this action was again tried, and lord Lyndhurst left it to the jury, whether they thought, from the evidence then given, combined with their inference of the grounds on which the former jury found their verdict, that Stephenson was affected with a disease tending to shorten life at the period the insurance was effected; and whether the plaintiffs knew, at that time, that he labored under such disease.

The jury found that Stephenson was not, at the time of the insurance, laboring under a disease tending to shorten life.

Verdict for the plaintiffs for the amount of premiums.

In June, 1833, a rule was argued to enter a nonsuit, and in November following lord Lyndhurst delivered judgment.

His lordship said it had been agreed, upon the argument, that the court should look at the whole of the evidence on both trials. The court had so done, and were of opinion that the plaintiff was not entitled to a return of the premiums. It was contended that the stipulation in the policy that all facts should be "truly stated" meant stated truly within the knowledge of the party interested in effecting the insurance. The court were not of that opinion; but even without that stipulation, the policy, if made upon an untrue statement, would be void, and the office could not be in a worse situation because such a stipulation was inserted in the policy. An untrue statement was not the less untrue because the party making it was ignorant of its untruth. The court was, therefore, of opinion that the plaintiff was not entitled to recover, and that a nonsuit ought to be entered.

Note.—So little attention has been given in the United States to the important subject of life insurance, that few cases have arisen in their courts in relation to it. We propose to add in one of our early numbers, several cases of recent dates in the English courts, and to publish any new matter that may arise upon the subject.

VETO MESSAGE.

We furnish our readers with a copy of the message of the Governor of Pennsylvania, in which he vetoes the bills passed by the legislature, for the re-charter of the Farmers and Mechanics' Bank of Philadelphia, the Chambersburg Bank, and other banks of that state.

In thus disturbing the banking and currency system so long engrafted upon the state, the governor interferes with important interests of the people. It is not denied that the banks have been well managed whose rechartering are thus prevented by the action of the executive. On the contrary, public opinion has been strongly in favor of them, more particularly of the management of the Farmers and Mechanics' Bank of Philadelphia. This is one of the public institutions that have contributed so largely to the manufacturing interests and to the general welfare of that city. Without its banking facilities, what would Philadelphia have been? No doubt far behind its contemporaries. The public income of the state has been likewise benefitted in a large degree, by the bonus paid for each bank charter; and if the Farmers and Mechanics' Bank should be compelled, by the action of the executive, to go into liquidation, not only the state will be deprived of that sum which the bank is now ready to pay for a renewal of its charter, but the aid to the city at large, now furnished by the bank through its loans, must necessarily be taken away, and the same capital employed in other channels of business, and in scattered places. The same capital would probably find its way to New York, where banking is equally safe, and not so trammelled. There capitalists, as stockholders, may loan their money to whom they please, and upon what terms they please, the public requiring only that bank circulation shall be based upon public securities held by the government, as a means of preventing loss to holders.—*Editor B. M.*

Veto of the Bill to re-charter the Bank of Chambersburg, April 7, 1848.

To the Senate and House of Representatives:

GENTLEMEN:—The bill entitled "An act to extend the Charter of the Bank of Chambersburg," has been presented for my approval.

The charter of this bank will expire, by its own limitation, on the first Wednesday in May, 1850, and the present bill proposes to extend it for a further period of ten years from that date. The bills to extend the charters of the Farmers and Drovers' Bank of Waynesburg, the Columbia Bank and Bridge Company, and the Farmers and Mechanics' Bank of Philadelphia, are also before me. The charters of these institutions will expire by their limitations in May and November, 1849, and it is proposed to extend the charter of each of them for ten years from the time of their expiration.

The importance or responsibility of giving or withholding my sanction to the renewal of the charters of these institutions, as well as others of a similar character which may be presented during the present session, has induced me to bestow upon the subject my most serious consideration.

The great injuries which have been inflicted upon the whole people, but more especially upon those who are entirely dependent upon their daily wages for the subsistence and comfort of themselves and families, by the failure of banks and the depreciation of bank paper, demand at the hands of those entrusted with the power of legislation on the subject, the utmost caution and deliberation before they extend a system which has, in so many instances, proved itself vicious and deceptive, and ruinous to the laboring and producing portions of the people.

In the annual message presented to the General Assembly at the com-

mencement of the present session, I took the occasion to present the following views on the subject:

"Nothing can contribute so much to the maintenance of our present prosperity, as a sound currency. Pennsylvania is rich in productions of almost every description required by the wants of mankind; and nothing is necessary to make her people the most independent in the world, but a proper regard for her true interests. To advance these, she must not be seduced from her devotion to sound principles, by the artificial contrivances of false economists, whose selfish theories are as delusive as they are destructive of the public good.

"The present is a most propitious period, when there is an abundance of gold and silver in the country, to make a determined effort to increase its circulation, and secure to the people the currency which the wisdom of the framers of the constitution of the United States provided. Instead of creating new banks, or increasing the capital of old ones, our efforts should be directed to secure the solvency of those which already exist, and thereby render their circulation sound and reliable.

"Impressed with the force of these considerations, I am convinced that the increase of the banking capital of the state would be unwise and impolitic; and I respectfully recommend, that before any one of the existing banks is rechartered, a searching scrutiny be instituted into its affairs, its management, its credit, and its means; and if it be found that the notes have been suffered to depreciate, that the accommodations have been bestowed upon favorites, and large speculators and dealers in money, instead of being diffused among moderate and safe customers; that the issues have at one period encouraged speculations by their excess, and at another oppressed honest industry by their contraction; in short, that the legitimate objects for which the privileges were granted, have not been, by fair, faithful and judicious management, accomplished, then the charter should be suffered to expire by its own limitation. The discontinuance of such institutions will promote the public good, and will be hailed with approbation by all but those who have, for private gains, wrested them from the purpose for which they were established.

"This policy, so just towards the public, while it may, to a moderate extent, diminish the present amount of banking capital, will strengthen public confidence in the other banks, and add to the stability and soundness of the currency. And as it may also increase the profits of existing banks, beyond a just compensation to the shareholders for their investments, and as this excess of gain is derived from the special privileges conferred upon them by the legislature, I recommend, that the tax imposed by the act of the 1st April, 1835, upon dividends exceeding six per cent. per annum, be increased. While the inducement to excessive banking will be reasonably checked, by the increase of this tax, the finances of the state may be, to some extent, improved, and the public welfare promoted.

"The policy indicated will lead to the rigid execution of the law prohibiting the circulation of foreign notes under the denomination of five dollars, as soon as the balance of the relief issues is cancelled. This will be a positive advance in the improvement of the currency, which should be then followed by a law prohibiting the circulation of all notes below the denomination of ten dollars. The channels of circulation will then be filled with an abundance of gold and silver, the public secured against the chances of loss by broken banks and depreciated currency; and the way will be opened to such further improvements, as the real interests and convenience of the people may demand.

"The cautionary enactments I have suggested, cannot fail to increase,

rather than diminish the amount of a sound circulating medium, fully entitled to the public confidence. The effect will be to bring the specie of the country into active circulation, to furnish the people with a substantial currency, that cannot be impaired by bank failures, and to restrain the tendency of the banks to foster extravagance, in time of prosperity, and check the means of oppression in time of adversity.

"A theory has been advocated and put into practice, in some of the states, called *free banking*. It is based, in part, upon specie, and in part upon state stocks, hypothecated with the government. In other words, banks become the creditors of the commonwealth, by purchasing her bonds; these are deposited with the government, and the government endorses, and returns to the bankers, notes prepared for circulation, to an equal amount. I can perceive no grounds for confidence in this system. It must explode, in a country where it is adopted to any considerable extent, whenever a revulsion occurs to test its stability, for it is a deviation from true principles. Sound and safe banking can only be based and conducted on money—**GOLD and SILVER**. Neither individuals or banks can lend that which they have not; and if they lend credit, in the shape of bank notes, without the means to redeem them in gold and silver, they commit a fraud upon the community, as they lend and put in circulation that which is not money, nor the representative of money.

"If this system of converting state stocks into banking capital, and hypothecating it as a security for the payment of bank issues, were not a delusion, mortgages upon real estate might be used for the same purpose, which would afford an equal, if not a better security for the payment of notes, and by this process the whole value of the real estate of the country might be converted into banking capital, and the people into a nation of bankers. This proposition shows that the whole scheme is illusory and unsound.

"Free banking, in its legitimate sense, is the right which every man enjoys, to lend his own money to whom he pleases. It is the exchange of money for securities, to repay with interest; it involves no fictitious increase of the circulation, but may be carried on to an indefinite extent, without affecting the currency. This is the free banking, which has at all times supplied, and does now supply, the wants of a large proportion of borrowers, and commands itself to general confidence and approval, by its simplicity and adaptation to the circumstances of the people."

In recommending "that before any of the existing banks be rechartered, a searching scrutiny be instituted into its affairs, its management, its conduct and its means, and if it be found that the notes have been suffered to depreciate, that the accommodations have been bestowed upon favorites and large speculators and dealers in money, instead of being diffused among moderate and safe customers—that the issues have at one period encouraged speculations by their excess, and at another oppressed honest industry by their contraction, in short, that the legitimate objects for which the privileges were granted, have not been, by fair, faithful and judicious management, accomplished, then the charter should be suffered to expire by its own limitation," I intended that the investigation should be rigid and thorough, and that the charters should not be renewed as a mere matter of course, without examination, as has generally been the case heretofore. The time for the mysterious secrecy which has so long shrouded the transactions of banking institutions has gone by.

When they apply to the legislature for a renewal of privileges, they should come with clean hands, and ought to give the most satisfactory evidence of the character of their discounts, and the nature and value of all their assets, and of their faithfulness in the execution of the trust confided

to them. It is only by requiring such a testimony, that a reliable opinion can be formed as to their solvency and their title to public confidence.

In regard to the bill immediately before me, as well as the others referred to, so far as I am informed, no such investigation has taken place, nor, indeed, any other beyond the examination of their quarterly statements and the representations of those immediately interested. These statements, it is well known, furnish little information that can be relied on as satisfactory in regard to the insolvency of the institutions. It is only by a rigid inquiry into the character of the notes and bills discounted, and of all the assets that any valuable and practicable result can be attained.

In withholding my approbation from the bill under consideration, as well as the others to which I have referred, I do not mean to intimate the most remote suspicion in regard to their solvency or management. So far as I know, they are as sound as any other banks in the state, and may have been as well conducted. Indeed, some of them sustain as fair a reputation as any in the state, but the time has arrived when the public interests demand that no bank should be rechartered without the most thorough scrutiny into its condition and management, and it was only on condition of such an investigation being first had that I expressed a willingness to give my assent to the recharter of any bank.

In creating or renewing institutions which are to furnish the circulating medium of the state, and which every man in business is compelled, from the habits and customs of the country, to receive as money, nothing should be taken for granted, or left in doubt, which is susceptible of satisfactory proof. By pursuing the course indicated, those institutions which are unsound will be detected and exposed, and the community may be protected against fraud and imposition, while those that are sound and honestly conducted will receive the confidence they merit. As none of the charters of the institutions which are now before me for a renewal of their privileges will expire before the first day of May, 1849, I cannot perceive that they will suffer any material detriment, or that the public interests can be jeopardized by the postponement of their applications for another year.

I am the more persuaded that this is the true course, from the fact that I am fully satisfied there are yet many valuable provisions which ought to be engrafted upon every bank charter in the state, in order to protect the interests of *bona fide* stockholders, and to save the people from a recurrence of the evils which have heretofore resulted from the defects of the present system. Much has already been done. The principle of individual liability which was for a long time pertinaciously resisted as destructive of the whole system has been established, and is now received with favor not only by the whole people at large, but by many of the most enlightened bankers in the country. It is true the application of the principle may not yet be perfect, but that its introduction, even in its modified form, will have a salutary influence by producing more caution and care on the part of stockholders in regard to the management of the banks, as well as by affording a better ultimate security to their creditors, will not be denied.

Having attained this point, it is our duty to progress with the advance of enlightened public opinion, and to provide such other reasonable and wholesome restrictions as the public interests require, and as the public interest demands.

Among the further restrictions which have occurred to me as practicable and proper, are the following:

1st. One restricting the amount of issues to a less proportion to their capital. They are now generally authorised to issue three times the amount of their capital. This is too much and ought to be reduced. It is the

main cause of those fatal expansions and contractions which have heretofore proved so destructive to the best interests of the country. The amount of debts they are permitted to contract ought also to be reduced so as to restrain their operations at all times within reasonable and safe limits.

2d. The banks of the state ought all to be required to keep their notes at par in the city of Philadelphia. It is the products of the country which are sent to the eastern markets, that from the legitimate basis of bank discounts in the country, and as the country banks have the benefit of the country circulation, and the advantage of discounting the bills and drafts on the eastern cities, where they received par funds in payment, it is asking but a small return for the favors conferred upon them that they should keep their notes at par. This would put an end to a system of brokerage and speculation which indirectly robs the people of the interior of many thousands of dollars annually.

3d. Banks ought to be treated as public institutions, because they furnish the currency of the state, and affect the pecuniary interests of the people more than any other institutions in the country. The directors ought to be placed under oath, and sworn to observe the provisions of the charter, and any wilful violation of them ought to be made perjury. The whole proceedings of the banks should at all times be open to the inspection of any reasonable number of the stockholders, and to a committee of the legislature, and to any officer of the state duly authorised. A failure to redeem their notes on demand, in specie, ought in itself to be an absolute forfeiture of their charter, excepting as to winding up their concerns, and for any act done as a bank after such a failure, the fact ought to be allowed to be given in evidence as a bar to any suit in relation to any banking operation subsequent to such failure.

After a lapse of a few years, they ought not to be permitted to issue paper of a denomination below ten dollars.

These are some of the most prominent provisions which ought, in my opinion, to be engrafted on our banking system, and applied to every bank in the state; and I cannot perceive any time so favorable for their adoption as when the banks are asking an extension of their charters.

No extreme measures towards the banks that are calculated to distrust or derange the business habits of the community are desirable; but the people have a right to expect from every public functionary who has it in his power to contribute in any degree to the correction of the evils of a system which has heretofore been productive of so much mischief, his best exertions to prevent the recurrence of these evils.

Entertaining the views I have expressed, and the belief that no injury can be sustained by delay, I have come to the conclusion at present to withhold my assent to these bills. By the postponement, the banks will have time to prepare and exhibit satisfactory proof of their condition and management, which is not now before me, and some well digested amendments to the system calculated still further to mitigate, if not to eradicate its defects, may be matured.

For these reasons, I have directed the bill to be returned without my approbation, to the senate in which it originated.

FRANCIS R. SHUNK.

Executive Chamber, Harrisburg, April 7, 1848.

BANK OF ST. PETERSBURG.

From "*Le Journal des Economistes*." Translated for the Bankers' Magazine.

WE publish below the speech of the minister of Russian finances to the council of state, in presenting the reports of the different public banks of the empire, for the year 1846.

This document presents, this year, special interest by reason of the purchases of French and English funds, which have been made by Russia; in relation to the circumstances which have caused this operation, we find some statements detailed in "*L'Economist*,"—(See p. 100, Bank. Mag.)

In reading the speech of the minister of finance, it seems surprising at first that the Russian government should borrow by the issue of treasury bonds bearing interest at 5 per cent. the sums necessary for finishing the rail road from Moscow to St. Petersburg, whilst, on the other hand, it buys foreign stocks which bring in an interest of scarcely 4 per cent. However, with a little reflection, this apparent anomaly becomes perfectly plain. In the first case, the Russian government acts as a rail road company, borrowing, by the help of its credit, the money necessary to finish certain works, and paying for this money the rates which this species of undertaking bears at the present day; in the second case, the government transacts an operation for the Commercial Bank of St. Petersburg, and, for the advantage of this enterprise, it buys only public stocks of the first order. While seeking to confer a benefit, it must take care to diminish in no way the security of the currency, and it can only obtain this result by buying stocks convertible immediately and without much depreciation into specie. This is why it has preferred buying French and English stocks to using a part of the funds of the bank for a loan to the rail roads. In acting thus, the Russian government has set a remarkable example of prudence; it has completely secured the notes of the bank from all ulterior depreciation.

Finally, the trial has fully succeeded, for, since the operation was begun, (April, 1847,) specie has not ceased flowing into the bank; as will be seen, in the speech of the minister, the increase up to the 10th July has not been less than 26,300,000 roubles; which proves conclusively that the replacement of cash by foreign stocks has by no means diminished the confidence of the public in regard to the bank.

The speech of the minister of finance is as follows:

"Messieurs: in presenting to you the statement of the operations of the banks of the empire, during the year 1846, I shall lay before you some particular positions which have been taken in the course of this year.

"First, the want of money that has been felt during the latter months of the past year, in the principal places of Europe, and which arises, on the one part, from the employment of it in the purchase of grain, in consequence of the deficiency in the harvest—on the other part, from the immense extent given to rail road enterprises. This want of money does not allow the hope, that the loan designed to cover the necessary expenditures, in the present year, for the construction of the rail road from St. Petersburg to Moscow, can be accomplished in as advantageous a manner as the preceding ones. For this reason, in order to prepare resources seasonably for meeting these expenditures, an imperial ukase, of the 21st January of the present year, (1847,) has directed the emission of the eighth and ninth series of notes of the treasury of the empire, each of 3,000,000 silver roubles; and, moreover, the deposit in reserve, of the tenth and eleventh series, in case that new diffi-

culties should present themselves this year, for the opening of a loan assigned to this object. Three of these series have already been put in circulation; the emission of the last, viz. the fourth, will probably be as indispensable. By this means, the continuation of this rail road undertaking, so important to commerce and industry, will be accomplished during this year.

"Second, many proprietors of the Ural mines, not having a sufficient capital to meet the expenses of working them, may be forced either to borrow money, sometimes at a high interest, or to sell their productions in advance, with a great reduction of price, which paralyses the activity of these establishments, and places some of them in a deplorable situation. To obviate this inconvenience, it has appeared necessary to establish, at Catharineburg, the centre of our metallurgic industry, a branch of the Bank of Commerce, which would effect loans upon the produce of the mines of the country. I must take this opportunity to say that the first idea of this useful institution belongs to M. the duke of Leuchtenberg, who visited the mines of Ural at the close of 1845.

"This branch will commence its operations immediately; we may then hope that before long the signal inconveniences before-mentioned will have disappeared, and that the mining proprietors will be in a way to extend, usefully, the circle of their operations.

"Whilst a branch of the bank was established at Catharineburg, there was opened also at Irbite a temporary bureau, on the plan of that of Nignei-Novgorod. It is to be hoped that this institution will contribute to developé business in this distant region.

"3d. I think it not superfluous to mention here the unexpected modification which has taken place in the arrangement of the issue council of the bank, elected by the body of merchants. Instead of five members, chosen for three years, among the merchants, it has been judged more suitable to appoint, as permanent members, the president of the bank committee, and the magistrate of the merchants. As to the three other members, their election has been postponed.

"4th. The exchange of the assignations of the bank, and of notes of deposit actually in circulation, for notes of credit, commenced the 1st November, 1843, has continued since, successfully, without the aid of any coercive measure. On the number of 595,776,310 roubles assigned, and of 48,551,198 roubles in bills of deposit, there has been exchanged, up to the present, 498,139,025 roubles ass., and 43,365,767 of notes. Residue in circulation, 97,637,235 roubles ass., and 3,185,430 notes of deposit.

"Considering the small importance of this quantity, it has been judged necessary to take measures to completely clear circulation of it, and the following adjournments have been permanently fixed: as general adjournment, the 1st January, 1848; as special adjournment for the government of Siberia, the 1st July, 1848; for the colonies of the North American company, the 1st January, 1849.

"5th. The use of a large portion of disposable capital for the purchase of wheat, and in rail road speculations, has necessarily exercised in Europe a great influence on public stocks. You know, gentlemen, that stocks have fallen considerably in price, especially in the beginning of this year.

"His majesty, the emperor, in his constant solicitude for the advancement of the commercial and financial interests of the empire, has called immediate attention in the committee of finance, and afterwards, with its advice, in the council of the empire, to the examination of the following question. Is it not worth while, in the actual state of depreciation in public stocks, to buy them, devoting to this object 20,000,000 to 30,000,000 silver roubles, from the funds of the bank of emission of the empire; such a measure not being,

as to the rest, in disagreement with the law of the inalienability of the capital of the bank; since in exchange for metals, they receive a sum equivalent in other values, representing a capital bearing interest, which capital may, if the wants of the bank demand it, be converted into gold and silver, by the sale of the titles; while, in the interval, the interest of this capital will be enriching Russia?

"The committee of finance, examining thoroughly this question, and taking into consideration that in the Banks of England and of France, as well as in the other first class banks, the capital is composed partly of precious metals and partly of public stocks; that the employment of a portion of the capital of the circulating banks in the purchase of public stocks in Russia and elsewhere, would be very profitable to the bank, inasmuch as the stock of transmissible capital will be increased, and commercial affairs become easier and more extended; considering, also, that without restraining the purchase of stocks in Russia, it will be advantageous to possess also a certain quantity of stocks of the other first class powers, the minister of finance being thus able to save the expense of sending abroad the sums necessary for different payments, for the maintenance of embassies, for the payment of interest on money borrowed abroad, as well as for the purchases necessary for the navy, and for the rail road from St. Petersburg to Moscow; from all these motives, the committee being entirely convinced that such a measure could in no manner compromise the stability of our national credit; since it will remain in the terms of the manifesto of the 1st July, 1843, we have decided, (7th Feb., 1847,) to withdraw the sum of 30,000,000 silver roubles from the fund representing the notes in circulation, to buy, successively, Russian and foreign stocks, and to entrust this operation to the care of the minister of finance, who can, if there be any occasion, appeal to the special decision of his majesty, the emperor. The advice given by the council of state has been sanctioned by his majesty, the emperor, the 31st March of the present year.

"Regarding it as useless to call your attention to the details of the operation, I will conclude by remarking to you, that the above measure has given rise to no unfavorable impression among the public, but, on the contrary, has strengthened confidence in the bank notes of the empire. We have proof of it in the following fact: at the time that it was made known, the capital in specie and in ingots was 114,289,000 roubles, and now, after the withdrawal of 30,000,000 roubles, devoted to the purchase of public stocks, the capital is 110,590,000 roubles; whence it follows, that it is, since then increased by 26,300,000 roubles."

~~~~~  
**PARIS.—Its distance from the capitals and cities of Europe is as follows :**

|                           | Miles. |                           | Miles. |
|---------------------------|--------|---------------------------|--------|
| Amsterdam, . . . . .      | 298    | London, . . . . .         | 256    |
| Berlin, . . . . .         | 592    | Lyons, . . . . .          | 288    |
| Bordeaux, . . . . .       | 357    | Madrid, . . . . .         | 776    |
| Brussels, . . . . .       | 189    | Marseilles, . . . . .     | 507    |
| Calais, . . . . .         | 161    | Milan, . . . . .          | 517    |
| Constantinople, . . . . . | 1576   | Munich, . . . . .         | 460    |
| Copenhagen, . . . . .     | 659    | Naples, . . . . .         | 1149   |
| Dresden, . . . . .        | 629    | Rome, . . . . .           | 926    |
| Frankfort, . . . . .      | 338    | Stockholm, . . . . .      | 1141   |
| Geneva, . . . . .         | 319    | St. Petersburg, . . . . . | 1420   |
| Hamburg, . . . . .        | 535    | Venice, . . . . .         | 596    |
| Lisbon, . . . . .         | 1104   | Vienna, . . . . .         | 680    |

## FINANCES OF FRANCE, 1848.

Report made to the Government, on the Financial situation of the Republic, by the Minister of Finance, a member of the Provisional Government.

The country wishes to know the truth as to the real state of its finances. The provisional government of the republic is desirous to state the truth. It is its duty, its interest, its right. The government will tell the entire truth, without hatred, without fear, but likewise without reservation. I enter on the facts:

**Public Debt.**—On the 1st of January, 1841, the capital of the public debt, the government stock belonging to the sinking fund being deducted, was 4,267,315,402 francs. On the 1st of January, 1848, it amounted to 5,179,644,730 francs. Far from taking advantage of so long a peace to reduce the amount of the debt, the last administration augmented it in those enormous proportions—912,329,328 francs in seven years.

**Budgets.**—The budgets followed the progression of the debt. Those of 1829 to 1830 amount to 1,014,914,000 francs. The entire of the credits placed at the disposal of the fallen government, to the year 1847, amounts to 1,712,979,639f. 62c. Notwithstanding the successive increase of the receipts, the budgets presented each year a considerable deficit. The expenses from 1840 to 1847 inclusive, exceeded the receipts by 604,525,000f. The deficit calculated for the year 1848 is 48,000,000 francs, without counting the additional chapter of supplementary and extraordinary credits, which will raise the total amount of the budgets to the charge of the last administration to 652,525,000.

**Public Works.**—The public works, heedlessly undertaken, simultaneously, at all points of the territory, to satisfy or to encourage electoral corruption, and not with that reserve which prudence so imperiously commanded, have raised the credits to 1,081,000,000f. From this sum are to be deducted the sums reimbursed by the companies, amounting to 160,000,000f.: the last loan, 82,000,000f., making together 242,000,000f., and leaving a balance of 839,000,000f. Out of this sum, 435,000,000f. have been expended out of the resources of the floating debt, and 404,000,000f. still remain to be expended on the completion of the works.

**Floating Debt.**—The floating debt increased in proportions not less considerable. At the commencement of 1831 it reached an amount of about 250,000,000f. At the date of the 26th of February last it exceeded 670,000,000f., to which is to be added the government stock belonging to the savings banks, 202,000,000f., making altogether 872,000,000f. Under such a system, the position of the central office of the treasury could not often be brilliant. During the 268 last days of its existence, the fallen government expended more than 294,800,000f. beyond its ordinary resources, or 1,100,000f. per day. In order to defray these expenses the government of the ex-king drew from three sources, produced by royal bonds, a loan, and the savings banks. From the 12th of April, 1847, to the 26th of February, 1848, the treasury bonds issued increased from 86,000,000f. to 325,000,000f. The instalments of the loan contracted on the 10th of November, 1847, paid into the treasury, amount to 82,000,000f. It is not yet known whether the remainder of the loan will be realized. What is certain, is that the treasury bonds must be paid. As to the savings banks, every body knows their deplorable history. Of the 355,000,000f. paid into the hands of the late government, I can find only 60,000,000f. paid into the treasury. The re-



mainder was disposed of in the purchase of government stock or shares. Whence it follows that the fallen government rendered it impossible that it could reimburse the deposits if called on. Such, citizens, is the real financial situation which the monarchy bequeathed to the republic. The republic accepts it; but it is urgent that a remedy should be applied to the evil. But in what manner? What must be done to insure the working of the different branches of the public service—to establish public credit on a really solid basis—provide for the continuation of the public works undertaken, and ameliorate the condition of the people? Wise, energetic and prompt measures must be adopted. The following are those I have already practised, or that I have the honor to submit to the decision of the provisional government.

*Loan.*—In order to provide for the deficit, which was pressing it on all sides, the fallen government obtained from parliament authority to raise a loan of 350,000,000*f.* of which 250,000,000*f.* were subscribed on the 10th of November last, and of which the treasury has received 82,000,000*f.* Shall the remainder of this loan be realised? Shall the difficulties which the ex-king bequeathed us afford the contractor a pretext for not fulfilling his engagement? I know not, but, in presence of the depreciation in public securities, however transitory it may be, prudence commands foresight. Whatever may be the resolution or the real power of the contractor, the treasury must be placed in a condition to be independent of the ulterior instalments, even those nearest maturity. The object of the measures which follow is to provide for this result. But the magnificent expansion of patriotism, of devotedness, of self-denial, and of intelligent ardor, which the advent of the republic has every where roused, counsels a bolder enterprise. A great number of citizens have offered the government considerable sums and valuables as a voluntary gift. Full of profound gratitude for so patriotic and honorable an offer, the government of the republic will not, however, accept it. It should leave the free disposal of their fortune to those who make so noble a use of it. But it will be permitted to it to connect those generous citizens with the fortune, and the state, by a combination equally advantageous to it and for them. According to the terms of the law of the 8th of August, 1847, the treasury may yet raise on the last loan a sum of 100,000,000*f.* I propose to you, citizens, to decree that this loan shall immediately be contracted under the title of a national loan. All citizens who wish to offer their voluntary tribute to the prosperity of the republic will be admitted. The national loan will be open during a month. In exchange for their offerings the citizens shall receive a coupon of 5 per cent. of government stock at par, even though this stock should be above par before the subscription list is filled. There will in this mode be a triple advantage. On the one hand, the national loan being taken directly from the treasury by the subscribers, it will be immediately classed. On the other hand, should the loan of the 10th of November, 1847, be abandoned by the contractor, it will no longer press upon the money market; and if, at a later period, new circumstances should oblige the republic to use its credit, we should be on completely free ground, and our liberty of action would experience no serious obstacle. In a report which I propose to supply, as soon as my calculations shall have been completed with scrupulous accuracy, I shall make known to the government, in figures, the result of all the measures which I have just proposed. It now remains for me to complete this exposition by some general observations. The present review of the condition of the treasury is reassuring. Thanks to the measures which have been and are about to be prescribed, the approaching situation of affairs is good. In this first moment of uneasiness, which ever succeeds great politi-

cal commotions, demands for money have abounded. The savings banks, particularly, have received numerous demands for repayment. But already the panic is subsiding. Every body comprehends that the fortune of France is, to-day, what it was yesterday, and they perceive that ameliorations are about to result from the new institutions which the nation has given itself. The zeal, moreover, of the citizens, proves itself to be superior to all difficulties. The payments made into all the offices for the receipt of taxes give us the assurance of providing without difficulty hereafter, not only for the ordinary service, but even for unexpected necessities. As to the general situation of the republic under a financial point of view, I imagine that it no longer shows any thing alarming. The national debt, deduction being made of the rents which belong to the sinking fund, amounts to 5,200,000,000*f*. If any one inquires what that mass of capital has produced, the mind stops short, disconcerted, before the enormous disproportion of the means with the results. But if the country itself is regarded, the aspect of what it can do reassures us. The English debt amounts to 20 milliards. It rests on the manufacturing and commercial subjection of the world—a variable and fragile basis. Ours is only five milliards, and it has for its basis all the public and private property of France—an immovable basis, and every day stronger. In a few years of a republican government, of a prudent, firm and loyal administration, and the credit of France will not have any equal. But, in my profound conviction, these favorable provisions cannot be realised but by the firm growth and strengthening of the republic. Let all good citizens contribute to that result, without wild enthusiasm as with useless regrets. The last prestige of the monarchy was utility. Many sincere men believed the maintenance of that form indispensable to the maintenance of order, and to the regulation of all legitimate interests. The monarchy once compromised, they believed all to be lost. They were mistaken. The solemn experience which has just been made ought to have convinced erring though sincere minds. What is certain, what I affirm with all the force of an enlightened loyal conviction, is that if the Orleans dynasty had reigned some time longer, bankruptcy was inevitable. Yes, citizens, let us proclaim it with pride and delight; to all the titles which recommend the republic to the love of France, and to the respect of the world, this must be added—the republic has saved France from bankruptcy.

GARNIER PAGES.

#### FRENCH MONEY AFFAIRS.

We have, at length, received from the hands of citizen Garnier Pages, the French minister of finance, a clear statement of the actual position of this affair up to the latest possible date. It must remind every body of the famous “*compt rendu*” of M. Neckar, in 1789. This is only saying in other terms, that it is deplorable. This statement of citizen Garnier Pages must, we think, give the *coup de grace* to the character of the dethroned king and his metaphysical but most besotted tool of a minister, M. Guizot. Their career has been profligate in the extreme; so much so that it appears hardly consistent with sanity, and, it must we think, if aught can open the eyes of those stupid aristocrats here who are calling upon and complimenting these two royal and ministerial swindlers. As far back as 1841, this precious pair had got the French debt, originally imposed by force in 1815, up as high as *two hundred millions sterling*, in English money. This was pretty well. What has been their course since? In seven years they have added

a full fifth to the whole; having borrowed and wasted in that short time, a sum equal to *forty-five millions* more! For this very year (1848,) they have a loan on hand, part of which they have not got; and with the interest of all the money thus profligately wasted, they were mad enough to think they could saddle forever the unborn generations of "la belle France." Well may citizen Garnier Pages exclaim, "If the revolution had not happened, these two madmen must have been bankrupt in a couple of years more!" Nothing, in fact, could have saved them. Not content with the doings we have described, they have actually swindled the Savings' Bank of Paris to the amount of *three millions sterling*! This they have done by selling, after seizing the ready money, the stock in which the remainder was invested, and turning it into a mere government debt, which is now, of course, not worth a farthing. Those who trust such people certainly deserve their losses; but this does not blanch by one single shade the black character of this nefarious transaction, which is quite enough to settle the character, with all posterity, of king Louis Philippe the first, of "glorious" memory, and that of his "patriotic minister," M. Guizot.

From the honest and indignant statement of citizen Pages, the finance minister, only one conclusion can be drawn. We shall not mince it. French finance is for the present at an end. The treasury is insolvent, and the result must be the sweeping away of this debt, imposed at first by force and augmented by profligacy. No man in his senses can come to any other conclusion. It is in vain to waste our own or our readers time in laments. That which cannot be cured must be endured; and this affair, like *Mercutio's* wound, is clearly "past all surgery." Upon the real authors of the catastrophe let the blame rest.

Of one thing we must, however, warn our excellent readers, especially the younger ones. They must not suppose, because that which we predict must come to pass, that the republic will be therefore endangered. This must not be supposed. That the financial *debacle*, now imminent, must create great and sad individual loss and suffering is undoubted; but as far as the nation is concerned it will arise, like "a giant refreshed," stronger from having touched the earth, Antæus-like. It will, by the *boulversement* itself, be relieved from taxes to the annual amount of *nine or ten millions*, a large part of which was paid to foreigners (the emperor Nicholas being one) who hold French stock. By the ease which the nation at large will undoubtedly feel after this relief, the individual losses will be partly mitigated, and in time repaired. In the meantime the republic will easily raise a revenue amply sufficient for its current expenditure under any circumstances. These things we mention as being some consolation to those who may fancy that the ruin of the republic is involved in that of its present financial system, which is certainly a mistake, of which the *debacle* of 1793 afforded a proof. The same thing, precisely, happened then, or soon after that period, and the republic stood firmer than before.—*Lon. Mercury*.

---

**Monetary System.**—The coins circulated in France, are, as in other European countries, of gold, silver, and copper. The *gold coins* are pieces of 40f. and 20f. Those struck by Napoleon Buonaparte were called Napoleons and double Napoleons, and those by the Bourbons, Louis d'Or; and even now keep their respective names, though more commonly all are indiscriminately entitled by the much cherished name of Napoleon. The *silver coins* are the franc, half, and quarter franc, the two and the five franc pieces. The *copper coins* are the centime, 5 centimes or 1 sou, and the decime or 2 sous.

## THE BANK OF FRANCE.

THE building occupied by the Bank of France was constructed in 1620, as the town residence of the duke de la Vrilliere: it is neither beautiful nor interesting, built on an irregular piece of ground extending from the rue *Neuve des Petits Champs* to the rue *Bailiff*. At the revolution of 1790 it became national property, and was appropriated to the public printing offices; but in 1811, after many judicious alterations, it was appropriated to the bank. The hours of business are from nine to four o'clock, daily, Sundays and festivals excepted.

The operations of the bank consist in discounting bills of exchange or to order, at dates which cannot exceed three months, stamped and guaranteed by at least three signatures of merchants or others of undoubted credit; in advancing money on government bills, of fixed dates; in advancing money on bullion or foreign gold and silver coin; in keeping an account for voluntary deposits of every kind, government securities, national and foreign, shares, contracts, bonds of every kind, bills of exchange, other bills and all engagements to order or to bearer, gold and silver bars, national and foreign coin, and diamonds, with a charge for keeping and according to the value of the deposit, which cannot exceed an eighth of one per cent. for every period of six months and under; in undertaking to recover the payment of bills on account of individuals and public establishments having accounts-current with the bank; to receive in a current account sums from individuals and public establishments, and to pay the engagements it thereby contracts, to the amount of the sums entrusted. The bank is open from 9 to 4 daily, except Sundays and festivals, for the exchange of bills against specie and for discounting. To be admitted to discount, and to have a running-account at the bank, a request must be made in writing to the governor, and be accompanied by the certificate of three well known persons. The usufruct of bank shares may be ceded, but the fee simple may still be disposed of. The shares may be *immobilisées*, that is, converted into real property, by a declaration of the proprietor; they are then, like any kind of real property, subject to the same laws, and have the same prerogatives. The capital of the Bank of France, which at first consisted of 45,000,000 francs, has since been doubled, and would now be represented by 90,000 shares of 1000 francs each, if the administration of the concern had not bought up 22,100 shares; from whence it follows, that the 67,900 shares actually existing represent the entire capital. The interest on these shares, which varies commonly from 12 to 15 per cent., can never be under 6 per cent. A law of 17th May, 1834, fixes the reserved fund at 10 millions of francs. The dividend of 1840 was 139 fr. per share, deduction being made of all expenses of administration. The rate of discount is 4 per cent., and the amount of a total of 610,600 bills discounted in 1840 was 932,281,240 fr., giving a profit, upon this branch alone of its operations, of 5,937,214 fr. The notes of the Bank of France are all of 1,000 fr. and 500 fr., and the total value of those in circulation is about 240,000,000 francs. There are about 233 millions of francs in the bank treasury. The annual circulation of money through all its departments is about 11 milliards. The accounts are made up, verified, and submitted to the directors every evening. There are ten discount banks established by the Bank of France; at Rheims, St. Etienne, St. Quentin, Montpellier, Grenoble, Caen, Besancon, Chateauroux, Clermont-Ferrand, and Angouleme. Their joint discounts in 1840, was 179,000,000 fr.

"The revolution had confiscated all the landed property of the *émigrés*, and of the disbanded congregations. The state gave notes in payment of its debts which could not possibly be cashed, but which it always received at par, in exchange for titles to property taken from the great national property, the fruit of confiscation.

"These notes were the *assignats* whose value fell from day to day, not only because of the enormous amount of them issued (5,000,000,000,) but moreover on account of the reluctance people had to exchange them for confiscated property, of which they feared they might one day be disposed in the event of whatever great political change might occur.

"Now, what is a note of the Bank of France? It is the substitution of a form and signature known to every body, for the thousand forms and thousand signatures of the citizens who advance us lodging, clothing, and the necessaries of the table. The bank not only possesses at Paris, or in its banking houses, 150,000,000 in cash; its greatest wealth is in its port folio, (discount department,) which is full of all the most sacred engagements and signatures of the whole commerce of France. It has 250,000,000 in negotiable paper with three good names, and an average time of six weeks. Every day the 90th part of these notes is paid in; and each day is put again in circulation the amount that came in the preceding evening.

"Very different from the commerce of England—which, exporting nine-tenths of all the English productions, retains not more than a tenth for home consumption in the British islands, and is obliged to wait for the repayment of its advances, from foreign parts—the commerce of France is a commerce of internal consumption, its exportation not exceeding more than a tenth part of its productions, and as every person each day eats, drinks, clothes and shelters himself, so every body, every day reimburses commerce which again reimburses the bank.

"Let us then call things by their right names, and when we consider the nature of the *assignats* of the old republic, we see how fortunate the new republic is in having for legal money the bank note, which is really the representative sign, not of untitled land or a ruined chateau, but of the life and activity of all the citizens of the country."

*Le Courier des Etats Unis*, April, 1848.

### THE BANK OF FRANCE.

Comparative view of the condition of the Bank of France, 1846, 1847, 1848.

| <i>Liabilities.</i>           | Jan. 1, 1846. | March 25, 1847. | March 22, 1848. |
|-------------------------------|---------------|-----------------|-----------------|
|                               | Francs.       | Francs.         | Francs.         |
| Capital.....                  | 67,900,000    | 67,900,000      | 67,900,000      |
| Circulation.....              | 282,798,980   | 249,404,695     | 285,080,202     |
| Reserve fund.....             | 10,000,000    | 10,000,000      | 14,000,000      |
| Treasury accounts.....        | 81,849,739    | 23,569,034      | 19,759,756      |
| Accounts current.....         | 118,470,005   | 51,173,505      | 77,272,964      |
| Bills at sight.....           | 1,751,000     | 1,680,000       | 3,043,100       |
| Branch banks.....             | 873,390       | 932,700         | 2,176,004       |
| Discounts, dividends, &c..... | 6,614,342     | 4,418,664       | 7,945,068       |
| Loan in London.....           |               | 21,989,925      |                 |
| Landed property.....          | 4,000,000     | 4,000,000       |                 |
| Total francs.....             | 574,257,456   | 435,068,523     | 477,177,093     |

# *Bank Statistics.*

699

| <i>Assets.</i>                       | 1846.       | 1847.       | 1848.       |
|--------------------------------------|-------------|-------------|-------------|
| Cash and ingots.....                 | 187,334,862 | 79,535,819  | 56,165,640  |
| Cash at branch banks.....            |             |             | 52,078,877  |
| Bills at parent bank.....            | 192,323,985 | 201,587,963 | 255,459,095 |
| Bills in branch bank.....            | 37,417,485  |             | 52,442,988  |
| Advances on coin and securities..... | 22,901,795  | 10,628,703  | 15,645,282  |
| Due by branch banks for circulation. |             |             | 11,194,550  |
| Rentes.....                          |             |             | 21,660,198  |
| Hotel and furniture.....             | 4,000,000   | 4,000,000   | 4,000,000   |
| Interest.....                        |             |             | 1,200,000   |
| Bills protested.....                 |             |             | 2,704,274   |
| Rentes due from Russia.....          |             |             | 1,377,858   |
| Miscellaneous.....                   | 1,641,447   | 594,896     | 3,248,301   |
| Capital of branch banks.....         | 22,000,000  | 28,000,000  |             |
| Reserve.....                         | 10,000,000  | 10,000,000  |             |
| Government securities.....           | 50,250,340  | 50,261,181  |             |
| Accounts current.....                | 46,387,542  | 50,459,961  |             |
| Total francs.....                    | 574,257,456 | 435,068,523 | 477,177,093 |

## **BANK STATISTICS.**

### **BANKS OF BALTIMORE.**

Dividends in 1847 and 1848, and quotations of stock, April 25, 1848.

| <i>Banks.</i>                | Capital.     | Div.<br>1847. | Dividends.<br>1847. | Dividends.<br>1848. | Per ct.  |
|------------------------------|--------------|---------------|---------------------|---------------------|----------|
| Merchants'.....              | 1,500,000    | Jan. 3        | July 3              | Jan. 3              | 84 @ 87  |
| Chesapeake Bank.....         | 340,615      | Jan. 3        | July 3              | Jan. 3              | 72       |
| Farmers and Planters'.....   | 600,625      | " 3½          | " 3½                | " 3½                | 88 @ 89  |
| Union Bank of Maryland.....  | 916,350      | " 3           | " 3                 | " 3½                | 79 @ 80  |
| Western Bank.....            | 308,280      | " 3           | " 3                 | " 3                 | 80 @ 81  |
| Franklin Bank.....           | 301,850      |               |                     | 3                   | 68 @ 72  |
| Farmers and Merchants'.....  | 393,560      | April 3       | Oct. 3½             | April 3             | 62 @ 75  |
| Marine.....                  | 309,200      | " 3½          | " 3½                | " 3½                | 75 @ 93  |
| Commercial and Farmers'..... | 512,560      | May 4         | Nov. 4              | May 4               | 101      |
| Bank of Baltimore.....       | 1,200,000    | June 3½       | Dec. 3½             |                     | 84 @ 85½ |
| Mechanics'.....              | 590,724      | " 3           | " 3½                |                     | 84 @ 86  |
| Total.....                   | \$ 6,973,764 |               |                     |                     |          |

The Bank of Baltimore was chartered in 1795, and has declared semi-annual dividends without interruption, from that period to this time.

### **BANKS OF BOSTON.**

Capital and Dividends, 1844 to 1848.

|              | Capital.   | October. | April.  | Total.    | Average. |
|--------------|------------|----------|---------|-----------|----------|
| 1843-'4..... | 17,010,000 | 417,000  | 426,300 | 843,300   | 4.9      |
| 1844-'5..... | 17,480,000 | 480,800  | 550,250 | 1,031,050 | 5.9      |
| 1845-'6..... | 17,480,000 | 561,500  | 593,000 | 1,154,500 | 6.6      |
| 1846-'7..... | 18,180,000 | 603,000  | 625,000 | 1,226,000 | 6.7      |
| 1847-'8..... | 18,980,000 | 658,300  | 702,800 | 1,361,100 | 7.1      |

Dividends of the Boston Banks in 1845, '46, '47, and April 1848, with quotations of Stocks, April, 1848.

| <i>Banks.</i>           | <i>Capital.</i> | <i>Dividend, April, 1848.</i> | <i>April, 1848.</i> | <i>Year 1847.</i> | <i>Year 1846.</i> | <i>Year 1845.</i> | <i>Stock.</i> |
|-------------------------|-----------------|-------------------------------|---------------------|-------------------|-------------------|-------------------|---------------|
| Atlas Bank.....         | 500,000         | 15,000                        | 3                   | 6½                | 6                 | 6                 | 90 @ 94       |
| Atlantic.....           | 500,000         | 17,500                        | 3½                  | 6½                | 6                 | 6                 | 90 @ 94       |
| Boston.....             | 900,000         | 36,000                        | 4                   | 7                 | 7                 | 7                 | 101 @ 102     |
| Boylston.....           | 150,000         | 6,000                         | 4                   | 8                 | 5                 | new               | 100           |
| City.....               | 1,000,000       | 35,000                        | 3½                  | 6                 | 6                 | 6                 | 98            |
| Columbia.....           | 500,000         | 15,000                        | 3                   | 6                 | 6                 | 5½                | 94            |
| Eagle.....              | 500,000         | 17,500                        | 3½                  | 6½                | 6½                | 6½                | 96            |
| Exchange.....           | 500,000         | 22,500                        | 4½                  | new               |                   |                   | 92            |
| Freeman's.....          | 200,000         | 8,000                         | 4                   | 8                 | 8                 | 7                 | 101           |
| Globe.....              | 1,000,000       | 35,000                        | 3½                  | 7                 | 6½                | 6                 | 100           |
| Granite.....            | 500,000         | 17,500                        | 3½                  | 6½                | 7                 | 6                 | 92            |
| Hamilton.....           | 500,000         | 17,500                        | 3½                  | 7                 | 7                 | 6                 | 95            |
| Market.....             | 560,000         | 28,000                        | 5                   | 9½                | 9                 | 8                 | 108 @ 109     |
| Massachusetts.....      | 800,000         | 24,000                        | 3                   | 6                 | 6                 | 5 4-5             |               |
| Mechanics'.....         | 120,000         | 4,800                         | 4                   | 8                 | 8                 | 7                 | 92            |
| Merchants'.....         | 3,000,000       | 120,000                       | 4                   | 7                 | 7                 | 7                 | 101           |
| New England.....        | 1,000,000       | 40,000                        | 4                   | 8                 | 6                 | 6                 | 100           |
| North.....              | 750,000         | 22,500                        | 3                   | 6                 | 6                 | 6                 | 92            |
| Shawmut.....            | 500,000         | 17,500                        | 3½                  | 7                 | 6½                | 6                 | 92            |
| Shoe & Leather Dealers' | 500,000         | 22,500                        | 4½                  | 8                 | 7½                | 6½                | 103           |
| State.....              | 1,800,000       | 54,000                        | 3                   | 6                 | 6                 | 6                 | 90            |
| Suffolk.....            | 1,000,000       | 50,000                        | 5                   | 10                | 8                 | 8                 | 120           |
| Tremont.....            | 500,000         | 17,500                        | 3½                  | 6½                | 6                 | 6                 | 92            |
| Traders'.....           | 400,000         | 14,000                        | 3½                  | 7                 | 6                 | 6                 | 89            |
| Union.....              | 800,000         | 28,000                        | 3½                  | 7                 | 6                 | 6                 | 97            |
| Washington.....         | 500,000         | 17,500                        | 3½                  | 6½                | 6                 | 5½                | 93            |
| April, 1848.....        | \$18,980,000    | \$702,800                     |                     |                   |                   |                   |               |

*Dividends of the Philadelphia Banks.*

For the year 1847 and part of 1848, with market value of stock, April 20, 1848.

|                           | <i>Capital.</i> | <i>1847.</i> | <i>1847.</i> | <i>1848.</i> | <i>Stock.</i> |
|---------------------------|-----------------|--------------|--------------|--------------|---------------|
| Bank of North America.... | 1,000,000       | Jan. 4       | July 5       | Jan. 5       | 113½ @ 115    |
| Bank of Pennsylvania..... | 1,562,500       | " 4          | " 4          | " 4          | 109 @ 110     |
| Philadelphia.....         | 1,150,000       | May 4        | Nov. 4       | May          | 119 @ 119½    |
| Commercial.....           | 1,000,000       | " 4          | " 4          | "            | 102 @ 104     |
| Girard.....               | 1,000,000       |              |              |              | 21½ @ 22      |
| Mechanics'.....           | 800,000         | " 5          | " 5          | "            | 130 @ 134     |
| Farmers & Mechanics'..... | 750,000         | " 6½         | " 6½         |              | 170 @ 193     |
| Northern Liberties.....   | 350,000         | " 5          | " 5          |              | 128 @ 141     |
| Western.....              | 334,800         | " 4          | " 4          |              | 129 @ 130     |
| Manufacturers & M.....    | 300,000         | " 4          | " 4          |              | 100 @ 100     |
| Bank of Commerce.....     | 250,000         | "            | " 3          |              | 96 @ 104      |
| Southwark.....            | 250,000         | " 5          | " 5          |              | 140 @ 150     |
| Kensington.....           | 250,000         | " 5          | " 5          |              | 116 @ 117     |
| Penn Township.....        | 225,000         | " 6          | " 6          |              | 125 @ 132     |

For details showing the loans, specie, real estate, stocks, circulation, deposits, &c. of each bank in Pennsylvania, see pp. 620—623 of this work.

## MISCELLANEOUS.

## A RARE COMBINATION—WEALTH, LIBERALITY AND DISCRIMINATION.

"Wouldst thou be poor, scatter to the rich, and reap the tares of ingratitude:  
 Wouldst thou be rich, give unto the poor—thou shalt have thine own with usury:  
 For the secret hand of Providence prospereth the charitable all-ways,  
 Good luck shall he have in his pursuits, and his heart shall be glad within him."

Col. Maunsel White, an old and wealthy merchant of New Orleans, has made a donation to the new University of Louisiana, of fifty-six lots in the third municipality. One condition of this donation is, that the said lots shall be leased for a term of thirty years, and the rents appropriated to the establishment of a chair of commerce and statistics in the university. At the expiration of the thirty years, the leases to be renewed or sold again, and so on forever—the proceeds always to be applied in the manner above designated.

A further condition of the gift is, that the chair of commerce and statistics shall have equal position with the other chairs of the university, and shall share equally with them in any appropriation by the state for their endowment.

It is also provided that the excess of the annual income of \$1200 shall be applied to the purchase of a commercial library, to be attached to the professorship, and to the free use of which the merchants of New Orleans shall be entitled.

Several other gentlemen of New Orleans have made donations to the new university, with various conditions attached.

These are instances worthy of admiration, and worthy too of imitation, by those who possess the means. Boston and New Orleans have lately given bright examples, in this regard, to their sister cities. Let those who have wherewith to give, give during their own life-times, that they may see the application, and enjoy the fruits of their munificence.—*Charleston News*.

The above is one of those few instances in which great wealth is distributed during the lives of the donors. Here the grantor lives to see the practical results of his benevolence upon the age. Unlike Girard and Astor, who left their wealth to be distributed, (prudently or extravagantly, as the case might be,) by their executors, Col. White spreads his benefits far and wide upon his own generation, in the great school of the people, and lives to see the workings of his own charity.

It gives us great pleasure to state that J. D. B. Debow, Esq., editor of the New Orleans "Commercial Review of the South and West," has been selected to fill the chair of *commerce and statistics* in the new university of La. Mr. D. has, in the columns of his popular and widely circulated journal, shown himself to be familiar with the commerce and statistics of the south and west, and also a zealous advocate for disseminating widely accurate information upon these important heads. The great benefits resulting from the establishment of such a professorship are incalculable. We want, hereafter, more educated merchants, and our merchants of the present day want more education—a more intimate knowledge of the history of commerce, and of the principles and theory of political economy, trade and manufactures.

While New York, Massachusetts,\* Pennsylvania and Louisiana, through their state legislatures and wealthy men, are providing liberally for their public libraries, schools of agriculture, and institutions equally beneficial, other states are slow to endow such valuable aids to the *diffusion of know-*

\*The state of Massachusetts expended \$125,000 in 1847, upon works of charity, benevolence and schools.



ledge among men. Maryland has not one liberally endowed public library, to which its merchants and men of science can refer for information upon ordinary topics. Boston has had its Perkins and its Lawrence, New York its Astor, Philadelphia its Girard, and even Washington is about to reap the benefits of a Smithsonian; but no millionaire of the monumental city has yet proposed to raise a monument to his own benevolence, by establishing a college or a public library, to promote wisdom and knowledge among his fellow-men. *One monument for the living is worth twenty for the dead.*

---

#### PUBLIC LOAN.

**PROPOSALS FOR A LOAN.**—*Treasury Department, April 17, 1848.*—Sealed proposals will be received, under the act of 31st March last, until 3, P. M., on Saturday, the 17th of June, 1848, for sixteen millions of dollars of United States stock, reimbursable twenty years from and after the 1st day of July, 1848, bearing six per cent. interest per annum, payable semi-annually, on the first days of January and July of each year. No bid will be received below par, nor will any bid be considered unless one per cent. thereof is deposited in some depository of the United States, at or before the date fixed for opening the proposals. The bids, in all cases, must be unconditional, and without any reference to the bids of others, and should state distinctly the premium offered. The proposals should be sealed, and endorsed, "*Proposals for Loan of 1848,*" and addressed to the Secretary of the Treasury, Washington, D. C. The sums which may be accepted will be required to be paid to the depository of the United States nearest the places of residence of the persons respectively whose offers may be successful; but the amount of the accepted bids from bidders not residing in the United States, must be deposited with the assistant treasurers at New York, Boston, Philadelphia or New Orleans.

To give an opportunity to all persons to participate in the investment of funds in this stock, bids will be received for the lowest denomination of certificates authorized by law—being for fifty dollars—as well as for higher sums.

All certificates under one thousand dollars will be transferable on the books of the treasury; but all certificates for that sum and upwards will be transferable on the books of the treasury, or by delivery with coupons attached, at the option of the bidder. To avoid expense, confusion, and multiplication of accounts, all certificates with coupons attached will be for the sum of one thousand dollars.

The successful bidders will be required to deposit the amount awarded in five equal instalments, in each of the months of July, August, September, October and November of the present year, except for sums not exceeding twenty thousand dollars, where the bidder may be desirous of making immediate payment, in which case the whole amount may be at once deposited. The stock will bear interest, in all cases, from the date of deposit.

The bids will be opened at the treasury department at 3, P. M., on Saturday, the 17th of June, 1848, in the presence of all persons who may desire to attend; but, under a provision introduced into the act of 31st of March last, no bidder will be permitted to withdraw his bid. On all bids not accepted, the amount deposited in advance will be immediately returned. The whole premium on the amount awarded must be deposited as part of the first payment required in July next.

R. J. WALKER,  
*Secretary of the Treasury.*

**AMERICAN STOCKS IN LONDON.**—There is now some inquiry for U. S. government stocks in the English market. The circular of the Messrs. Barings, dated London, April 7, says—

Maryland and Pennsylvania bonds continue to be pressed for sale under orders from the continent, and may be quoted lower than at last advices. In other stocks no change, but there is more inquiry for U. S. government loans.

|                           |                    |                               |                    |
|---------------------------|--------------------|-------------------------------|--------------------|
| Alabama 5 per cent.....   | 52 <sup>a</sup> 55 | Kentucky 6 per cent.....      | 86 <sup>a</sup> 89 |
| “ sterling 5 per cent.... | 55 <sup>a</sup> 58 | Massachusetts 5 per ct.....   | 92                 |
| Indiana.....              | 30 <sup>a</sup> 33 | Maryland 5 “ .....            | 63 <sup>a</sup> 66 |
| Illinois.....             | 32 <sup>a</sup> 36 | Mississippi 6 “ .....         | 50                 |
| Michigan.....             | 25 <sup>a</sup> 30 | “ sterling.....               | 15 <sup>a</sup> 20 |
| New York 5 per cent.....  | 85 <sup>a</sup> 87 | South Carolina 5 per cent.... | 79 <sup>a</sup> 81 |
| Ohio 6 “ .....            | 85 <sup>a</sup> 87 | Tennessee 6 “ .....           | 86 <sup>a</sup> 89 |
| Penn. 5 “ .....           | 63 <sup>a</sup> 66 | New York city 5 “ .....       | 78 <sup>a</sup> 79 |

Since our last advices of 24th ult. extreme depression has been the prevailing feature in markets for almost every description of produce, and a further decline has taken place in prices. Each succeeding day seems to add to the complication of political affairs in France and on the continent of Europe, and all export trade thither is for the present suspended. In the meantime, numerous failures have occurred at Paris, Havre, Marseilles, &c., and a general feeling of distrust prevails. This state of things, of course, is not without its effect upon us, and in the manufacturing districts it is being severely felt, as this is the usual period for the largest continental demand.

Money still continues abundant, but our funds are rather lower, consols leaving off at 80½. All foreign securities and shares have fallen considerably.

The European Times mentions a sale of U. S. six per cents. at 96<sup>a</sup>98 per cent., equivalent, at present rates of exchange, to 105<sup>a</sup>107.

**LIVERPOOL, April 7, 1848.**—Circular of Brown, Shipley & Co.—

Since our last circular, of 24th ultimo, there has been increased depression in almost every description of produce, and in stocks and securities of all kinds, arising partly from the more intense and wide-spread derangements on the continent, and partly from the unsettled state of the population in some parts of Ireland, as well as the manifestation of a disorderly spirit on the part of the chartists in England.

The papers will show that the government has thought it necessary to apply to-day for additional powers for the purpose of maintaining public order.

Cotton has been better sustained than most other produce from our reduced stock—but has farther declined ½d. per lb. The quotation for fair upland is now 4½; fair Mobile 4¾d, and fair Orleans 4¼a4½d. per lb.; middling, 4a4½d., and ordinary 3¾a3¾d. per lb.

In the last few days about 50,000 bales have arrived, and if, on landing, it should be as freely offered as much of the recent import has been, the stability of even present prices will be severely tested, with such discouraging prospects as regards the continental trade at Manchester.

**NEW ORLEANS, April 19.**—The receipts of cotton since 1st September last, amount to 1,895,000 bales, being an increase of 34,000 bales compared with last year. The shipments to Europe for this year are, as follows: Great Britain 679,000 bales; France 264,000; other foreign ports 208,000 bales, making a total of 1,152,000 bales, against 794,000 bales last year.

## Notes on the Money Market.

New York, April 26, 1848.

Money is now easier in this city and may be quoted at 6 @ 8 on prime securities, at call. There is, however, great difficulty in negotiating long paper, except at high rates say 1 @ 1½ per cent. per month. The exciting news from Europe, added to the continual shipments of coin, keep the money and business markets in an unsettled state. It is the opinion of many, that there will be a considerable influx to this country of capital from Great Britain and the Continent, in consequence of the deranged condition of public affairs there. Holders of government securities in Europe cannot have much confidence in their investments, and the most extraordinary fall has taken place, not only in the public funds of France, but in the price of consols, &c. in London. Consols had fallen on the 7th April to 80½, being 7 per cent. lower than in March, 1847, and a fall of 9 per cent. since 1st February last.

The shipments of coin from this port to Europe, are by no means indications of an unfavorable condition of trade. They are made to meet engagements abroad by parties in this country, who will not at any price purchase bills on France and other portions of the continent. The suspension of the Bank of France in March, by order of the government, and the failure of numerous bankers and merchants in the French capital who have hitherto enjoyed the highest confidence, have interrupted seriously the business relations between the United States and France. The provisional government of France has seized upon the Orleans rail road, with assurances of indemnification to the company. This step was supposed to be taken with a view to control the operations of the road, and more immediately to avail itself of the revenue for government purposes.

Our extracts in a preceding page will give our readers an insight into the financial condition of France; and a most deplorable condition it is.

The Bank of England on the 1st of April, had £15,210,000 in coin on hand, against £9,000,000 in September last:

*New Orleans, April 19.*—Our market continues unsettled and fluctuating. Negotiations are difficult and go on very slowly. Sterling ranges from 3 @ 8 per cent. prem.—an extraordinary margin; middle rates 5 @ 7 per cent. Nothing doing in francs. New York 60 days 2 @ 2½ per cent. discount; Boston 60 days 2 per cent. discount; sight checks ¾ @ 1¼ per cent. prem.; Baltimore and Philadelphia 60 days 2¼ @ 2½ per cent. discount.

*Baltimore.*—Money is in demand and very scarce. Good paper commands 1½ to 2 per cent. per month. There have been a few failures since March 1st, but generally business is in a good condition.

## UNCURRENT MONEY.

|                       |            |                          |             |
|-----------------------|------------|--------------------------|-------------|
| New England.....      | ¼ @ — dis. | Mobile, specie paying... | 2½ @ — dis. |
| Albany, Troy, &c..... | ¼ @ — "    | New Orleans.....         | 2½ @ — "    |
| New York country...   | ¾ @ — "    | Ohio.....                | 3 @ — "     |
| Jersey.....           | ¾ @ — "    | Indiana.....             | 3 @ — "     |
| Philadelphia.....     | ¼ @ — "    | Kentucky.....            | 3 @ — "     |
| Baltimore.....        | ½ @ — "    | Tennessee.....           | 5 @ — "     |
| Virginia.....         | 1¼ @ — "   | Missouri.....            | 3 @ — "     |
| North Carolina.....   | 2¾ @ — "   | Michigan.....            | 3 @ — "     |
| South Carolina.....   | 2½ @ — "   | Canada.....              | 4½ @ — "    |
| Georgia.....          | 2½ @ — "   |                          |             |

THE  
BANKERS' MAGAZINE,  
AND  
State Financial Register,

---

VOL. II.

JUNE, 1848.

NO. XII.

---

THE MONEY MARKET.

The Condition and Prospects of the Money Market.

ONE year since, when we gave our readers a somewhat detailed account of the position and prospects of the finances of the country, our situation was in almost every respect different from what it now is. We have rarely known a year in which the changes have been so marked and so surprising.

Twelve months ago we had been exporting all the produce for which vessels could be found; and these shipments had realised prices far beyond the expectations of their owners. In return we had received millions of specie from Europe and England; and money was as abundant as mercantile men desired. The prices of our products in foreign markets were such that each shipment paid large profits; exchanges ruled in our favor; and the constant exportation was followed by a continued influx of the precious metals. Every dealer in produce had become comparatively rich. The forwarding merchant, the commission merchant, the ship-owner, the bill-drawer, the banker, the broker, all departments of business felt the influence and realised the profits consequent upon the increase of trade and the advance in prices. Loans of money could be had at low rates of interest, to any amount, upon almost any kind of securities. The market prices of our stocks sympathized with other things; and each kind of investment advanced to a price which bore some fair proportion to the great abundance of money—the community felt rich—expenses were increased—every one was prosperous! new enterprises were undertaken; and new avenues were sought in which to use, with advantage, the wealth so recently and suddenly acquired.

Such was our condition a year ago. When affairs are prosperous, all look to the future with cheerful hope. It is only in dark and stormy seasons that evil is anticipated. So, a twelvemonth since, the community generally looked forward to a continuance of high prosperity. It seemed as if the wants of England and Europe could never be supplied without aid

from America. The seasons throughout the old world promised poor harvests then, and we expected to be prospered, though our prosperity should prove the cause of ruin to the merchants of England and the continent. Such were substantially the hopes and expressed opinions of the great majority of commercial men, a year ago.

During the early part of the summer nothing occurred to change, materially, the position of affairs. Produce was shipped; in smaller quantities indeed, but still the shipments were such as to keep exchanges decidedly in our favor. The heat of the summer, by driving many from the south to the north, and by sending the citizens of the north to their summer retreats, diminished greatly the amount of business transactions; still business went on to a greater extent than usual at this season, and still each transaction seemed to promise profitable returns. Towards the close of the summer we began to realise what the more wary and far seeing had for months predicted, that there was a prospect of trouble among commercial houses in Europe and England. Orders were peremptorily countermanded—credits were stopped—and the very spirit of alarm evidently ruled in the markets where but a short time before all was prosperity in possession and prospect. Then farther and more peremptory orders were received: not from one house alone, but from every banker doing business with America; and no consignments were allowed, against which bills for any amount, no matter how trifling, were to be drawn. At the same time the prices of produce and breadstuffs which had been for weeks declining, suddenly fell; and the failures in England, France and Germany commenced. The houses in this country immediately connected with those abroad shared in their disasters and their ruin; and with the suspension of a few leading houses in New Orleans and on the Atlantic seaboard, came a great want of confidence among commercial men. Every succeeding packet brought intelligence of fair weather and good crops, at once disastrous to the merchant, and delightful to an almost starving people. The straitened money market abroad; the numerous failures, and the flourishing harvests; all contributed to depress the prices of our exports and many shipments proved either a total loss from the failure of purchasers; or an almost total loss from the extreme depression in prices. Hence one house after another in this country followed the sad example then so rife abroad of stopping payment; and each successive failure, by diminishing confidence, tended to make more severe the stringency of the money market. To crown the troubles which seemed on every side to darken and thicken, the Bank of England pursued an uncertain and vacillating course. With the facts of that course all are familiar; and indeed we are now alluding to events of which all our readers have been advised; but we refer to them here for the purpose of giving in a condensed and accurate manner a review of the principal events of the past financial year.

We would remark in passing, that enough has been seen within a few months to convince us that the Bank of England should have for its governor and managers, men who are familiar with the condition and wants of commercial men; but who at the same time are not exposed to commercial reverses. We trust that the parties who hold the ultimate control of the bank, the electors of its officers, will also be convinced. So much depends upon the good or bad management of this single institution, that every commercial man is interested to see that it is under good and stable management. Though the Bank of England pursued a vacillating course, it was consistent in one thing: a determination to regain a part of the specie which she had lost during the preceding spring. The natural and necessary result of failures; of credits broken off and shipments stopped, was

seen in the rapid rise of foreign exchange and the simultaneous export of coin to England and France, in a current nearly as great as that which flowed to us early in the season; the gold returned to its owners in the old country. From Maine to New Orleans, through all our border cities and all our deep interior, the effect was instantly seen. The merchant was alarmed, and called in all his resources. The capitalist was alarmed, and parting with all but the most stable securities, hoarded his means for better times when the danger should be past. The banks, more influential and more timid than either, rapidly curtailed their loans. Exchange on England rose from 103 to 111, and money from being worth six per cent. per annum, rose in the market to about three or four times that rate. Then came a fall in prices here corresponding to the change in money matters. And the very persons who, when every thing was at its highest point of inflation, looked forward to continued prosperity—now, when we were at the lowest point the year had seen, looked for nothing less than increasing trouble, and unprecedented disaster.

To our troubles in this country was added an element which was fortunately unknown abroad. Our government were in want of and calling for money, and the miserable sub-treasury demanded and received all that money in gold. Most fortunately the government was poor; every dollar was due from the treasury before it was paid in, and nothing remained in the hands of the disbursing officer, other than necessary balances on hand, longer than was necessary to receive and pay the amounts. Still the mere receipt and payment of such vast sums had necessarily a bad effect on a money market which was already bad enough; and thus our paternal government did what it could to help onward the sad progress of evil. In this miserable state of financial affairs were we placed at the commencement of the winter.

From this point we began to improve. The shipment of coin to England paid our debt and restored the balance of trade. The failures abroad had cleared their commercial atmosphere, and the receipt of specie had strengthened the bank to such a degree, that trade had begun to revive, and the leading bankers instructed their correspondents to make advances upon shipments. Merchants there and in this country had so curtailed their engagements, that the demand for money had in a measure ceased. The prices of produce, merchandise and stocks, advanced. Money, over our whole country became, gradually indeed, but surely, more abundant; and spring came in with tokens of a goodly future. Pecuniary engagements were curtailed, and transactions were adapted to the more limited amount of money in circulation; and the universal determination appeared to do a safe, and therefore a profitable, business.

But a short time had thus pleasantly passed, when we were once more doomed to be affected and injured by news from Europe. The political revolution in France could not occur, without at the same time, producing a financial revolution; and no serious change could take place in France, which would not be severely felt in Germany, Holland and England. Not only confidence in general, but credit itself, in regard at least to continental houses, was at once entirely destroyed. No bills of exchange excepting those of two or three houses would be taken by remitters; and these houses refused to draw, except at rates which admitted a profit on the shipment of coin to meet the bills. Again the exchanges were turned against us. Specie was shipped in large sums. Failures abroad were followed by failures here of houses supposed to be almost beyond the reach of disaster. Cotton, our great staple, fell in France and England to a lower point (we believe) than was ever before known. Capitalists and banks, at once called in their means

and curtailed their operations. The rate of interest again advanced ; and viewed in the hue of present trouble, the future looked uncertain and gloomy. It now appears as if we had passed the worst of these disasters. Should, as we have some reason to hope, the French government prove rational and firm, and the fear of an European war be groundless, we have nothing more to fear from that quarter ; rapidly returning confidence will again give life, energy and success to commercial enterprise. Such, in brief, have been the leading facts in the year's financial history.

We turn to a much more interesting topic, which we feel bound to discuss ; and look at the bearing of our present condition on the future. It is impossible to imagine what changes in the old world may take place ; or how a change there, may affect our interests, and we cannot speculate upon probabilities arising from any such cause. While we sincerely hope that good sense and good order will prevail in France and throughout the continent ; we will merely look at our own state as it has been and is, and thus endeavor to form some reasonable opinion as to what may be expected for the next few months. One thing we regard as certain ; though order may be restored, confidence will not exist. The aristocratic and the wealthy will regard not only with dislike, but with distrust, the new order of things. And while they would have been loath to trust their wealth in our republic, while a venerable monarchy held rule at home, we should not be surprised to see European wealth seeking investments to a very large extent in our stocks. Should our expectations be realised, this alone will bring great wealth into the country ; and the effect would be at once seen in every department of trade. The heat of the summer months will drive the merchant and the capitalist away from their usual place, and diminish the number and amount of their transactions. During the summer we may expect as usual a quiet season. But we cannot believe that money will continue, at least at the North, in demand as now, nor that it will be worth the present rate which is paid (twelve per cent. per annum) on good paper. Early in the fall, with the returning season, business will revive, and again be prosperous. This is presuming that no political commotions abroad produce financial trouble there and here. And, indeed, we hardly see how there can be trouble to us from that quarter.

England has shown herself stronger, far stronger than was anticipated by her friends, in putting down with so much ease the late Chartist movement ; for France we have great hopes ; and with the other continental nations we have but little to do. Our circulating medium is reduced to a very low point. The engagements of our merchants are comparatively small ; and those engagements are now based upon really productive transactions. The actual capital of the country is from year to year increasing. The facilities for using that capital by means of steamboats, rail roads and, more than all, by the telegraph, increases its efficiency, availability and real amount to the owner four or fivefold over its availability ten years since. And as a commercial people, we can but feel that we have little reason to fear and everything to encourage.

Thus much in regard to the North. There are elements at the South which we fear will work out some disasters yet, for the merchants there, and such reverses must, somewhat, though we think not to any great extent, affect the north. The southern cities have felt the weight of the continental troubles. As ultimate endorsers or guarantees upon bills of exchange, Charleston, Savannah, Mobile and New Orleans, must suffer more than the northern cities from the return of bills of exchange. Then, again, the prices of their staples, cotton, sugar and tobacco are very low. As we have already remarked of cotton, so we can say of sugar, that if we are not in error, the

quotations are lower than we ever remember to have seen them. Indeed, we can hardly suppose that either crop can be raised and prepared for, and brought to market, and sold at the present prices, without ruining the planter. This is a state of things which cannot last. Either the planter will stop producing or the prices will advance to a remunerating point. But while these rates are thus ruinously low, we can hardly imagine but that the planter and the factors, and, ultimately, the banks, will be involved in severe losses. The coming summer promises but badly for the South. We hope better things for them in the fall; for no real abiding trouble can rest upon one portion of our country without involving every part to a greater or less degree in the disaster.

Looking at every department of business in its broad sense, throughout the United States, we should say that it was good; and that the year with its unprecedented changes and extreme vacillations, while it has brought ruin on many, has been a good year for the commercial interests of the whole country.

Our own government, most fortunately, since the sub-treasury law is in full force, is poor. But, unfortunately, on the other hand, the same government comes into the market as a borrower; and interferes with the merchant. We can hardly judge at this time what will be the effect of the new proposal of Mr. Secretary Walker for a loan. Should the entire amount, or any considerable portion, be subscribed for in England or France, it would prove a beneficial thing. Should, on the other hand, the entire loan be left to our own country, the effect of the issue will be far from beneficial.

We have no means of judging how this loan will be looked upon in Europe; nor how readily means can be found there to purchase \$16,000,000 of our stocks. It does appear to us, however, highly probable, that the loan will find more favor in the old country during the present popular commotions, than at any other period. The larger rate which we pay will certainly be an inducement; and the progress of Europe towards anarchy in some places, and republicanism in others, will show to the haters of change that republics must be submitted to, even if they are abhorred.

Those of our readers who remember the review of the money market which we published a year since, can see with how much accuracy we then predicted the events which have transpired. We have endeavored in our remarks as to the future, to be governed by the same rules which then guided us in pointing out the prospect before us: and can but hope that in May, 1849, we shall be able to point to the suggestions in this article as having been shown to be equally sound.

EXPORT OF BREADSTUFFS—From the U. States to Great Britain and Ireland since 1st September, 1847.

| From                           | Flour,<br>bbls. | Meal,<br>bbls. | Wheat,<br>bush. | Corn,<br>bush. |
|--------------------------------|-----------------|----------------|-----------------|----------------|
| New York.....May 6.....        | 137,085         | 33,343         | 177,934         | 1,064,101      |
| New Orleans.....April 29.....  | 15,544          | 24,997         | 33,195          | 970,025        |
| Philadelphia.....April 30..... | 1,563           | 25,121         |                 | 166,145        |
| Baltimore.....May 6.....       | 770             | 1,796          | 4,010           | 97,388         |
| Boston.....May 6.....          | 704             | 3,900          |                 | 119,993        |
| Other ports.....April 29.....  |                 |                |                 | 34,813         |
| Total.....                     | 155,666         | 89,157         | 215,139         | 2,452,921      |
| Same time last year.....       | 1,665,734       | 455,666        | 1,570,614       | 11,245,775     |



## BANKING IN NEW YORK.

Historical Sketches of Banking in the City of New York, with a Preliminary Notice of the Bank of North America.

When our national government went into operation under the present Federal Constitution in 1789, the only three banks in existence in the United States were the Bank of North America, in Philadelphia; the Bank of New York, in the city of New York, and the Bank of Massachusetts, in Boston, with an aggregate capital of only about two millions of dollars. (\$2,000,000.) These three banks are still in existence, and it is an interesting fact, that, owing to their good management and the strict integrity of those gentlemen who have, from that time formed the successive boards of direction, these institutions have not only maintained a high character for credit and responsibility, but have been eminently successful as moneyed corporations, and of the greatest utility to their respective communities.

## BANK OF NORTH AMERICA.

The Bank of North America, of Philadelphia, owes its origin to the genius and enterprise of that eminent financier of the revolution, **ROBERT MORRIS**, who conceived the idea of the institution while he was acting as superintendent of the public finances, and submitted it to the continental congress, in May, 1781, the plan for establishing a National Bank, under the title of the Bank of North America.

Agreeably to this plan, the capital was to be \$400,000, divided into 1000 shares of \$400 each, payable in gold and silver, to be increased by new subscriptions from time to time, at the pleasure of the directors. The institution was to be managed by twelve directors, to be chosen by the stockholders. The notes of the bank were to be payable on demand, and made a *legal tender* in the discharge of duties, taxes, &c. Congress approved of the plan on the 26th of May, the same year, and passed several resolutions, by which they pledged themselves to support the institution; to incorporate the subscribers under the name proposed; to recommend to the several states the prevention of similar establishments within their respective jurisdictions, during the war; to receive the notes of the bank in payment of duties, &c. to the United States, and to use their influence with the several legislatures to have laws passed, which should make it felony to counterfeit the notes of the bank, &c.

After this, subscriptions were opened during the summer and autumn of the same year. In November, directors were chosen. In December, congress passed an ordinance which created the subscribers to the bank a corporation *forever*, under the title of "The President, Directors, and Company of the Bank of North America." The original features of the plan were preserved, but the bank was restricted from holding property exceeding the amount of ten millions of dollars. The institution commenced its operations in the month of January, 1782, and Robert Morris, who may be justly styled the father of the system of credit and paper circulation in the United States, succeeded in securing to it the good will and confidence of the people at large, by various judicious measures, of which a circular letter, addressed to the governors of the several states, explaining the objects of the institution, and the certain advantages to be derived from it, was not the least effectual. The sense of the great utility of the banks was so universal,

that Massachusetts and Pennsylvania corroborated the ordinances of congress by additional charters, and Rhode Island, Connecticut and Delaware passed laws for the purpose of preventing the counterfeiting of its notes. Yet when peace had been concluded and the pressure of the times was somewhat over, jealousies were excited against the bank, and so effectually were objections against the institution urged, that in September, 1785, the legislature of Pennsylvania actually repealed the charter.

The repeal was persevered in by the succeeding legislature; but the bank continued its operations under the charter from congress, the directors presuming that their corporate rights could not be wrested from them by a state legislature.

The legislature which met in December, 1786, thought proper to renew the charter of the bank, and passed an act to that effect, on the 7th of March, 1787, by which the term was limited to fourteen years, and the right of holding property restricted to two millions of dollars. The same charter was extended for the term of fourteen years more, by an act passed on the 20th of March, 1799, and subsequently renewed by successive acts of the legislature.

The capital of this bank has been from time to time increased. In 1831 it was 2000 shares of \$400 each, making \$800,000. Up to that time it had usually divided twelve per cent. on the original price of the shares; which, taking the medium capital from the commencement, makes the sum total of the dividends to the close of the year 1830, or about 48 years, amount to \$3,456,000. Until 1848 the operations of the bank were carried on in the building originally constructed for the purpose. A new and beautiful edifice has been erected during the years 1847-8, on the same spot, and its business is now carried on there. Our next volume will contain a drawing of the front.

#### BANK OF NEW YORK.

At the close of the revolutionary war, the commerce and former flourishing condition of the city of New York, slowly returned. At that period the number of inhabitants in the city did not much exceed twenty thousand. In 1786, three years after the peace, the population was ascertained to be 23,619. The city in 1783 did not extend farther north than Murray street. Most of the houses, even in the best streets were built of wood. Most of the streets in the old parts of the city were narrow, crooked, and poorly paved, and the vacant lots were numerous, particularly when the ruins of the great fires during the war existed. There were no public monied or charitable institutions, no banks or insurance offices; trade was at a low ebb; education had been entirely neglected, and the college and schools had long been closed.

Such was the gloomy condition of the city when the peace of 1783 took place, and the British troops evacuated the place which they had held for seven years, in November of that year; immediately after which the scene changed; the long exiled citizens returned to their homes; the municipal government was re-established, and the country at large begun to revive from the shock of the revolution.

The Bank of New York was established early in 1784, by the few capitalists then in the city, who felt the serious inconvenience of transacting the business of payments and receipts through the medium of specie only, as was the indispensable practice at that time. The stock having been subscribed and the directors chosen, the board, it seems, decided to com-

mence business as a bank, as a private institution, without obtaining a charter, as appears from the following notice in Mrs. Elizabeth Holt's "New York Journal and State Gazette," of May 6, 1784.

**BANK OF NEW YORK—May 1st, 1784.**

"The subscribers to this bank are requested to pay in the first moiety of their subscriptions on the first day of June next, to William Seton, the cashier, at No. 67 St. George's Square, who is authorised by the directors to receive the same."

**ALEXANDER McDOUGALL, President.**

This organization of the bank, was not satisfactory to all of the subscribers to the stock, as we learn from a communication from one of them, published in the above named newspaper of 27th May, from which we extract the following:

"I am a subscriber to that institution and heartily wish that a bank which may have the confidence of the government, as well as of the merchants of this city, may be established; but unless it can obtain a charter, I cannot consider myself under any obligation to pay in my quota.

"When the regulations were published and agreed upon, it was stipulated, that no subscriber should be liable for more than his stock; this pre-supposes the grant of a charter, for without it this article could not take effect; should the subscription money be at present paid in, the stockholders become to all intents and purposes *bankers* and *copartners* and every man is liable, (however small his share may be,) for all the engagements of the bank, to the extent of his *whole fortune*. Is this a situation for any prudent person to place himself in, for a mere facility in commerce? Surely not. If I wished to be a banker, I would choose my own partners, connect myself with one or two persons of probity and substance, and instead of leaving to the choice of others the management of affairs upon which risk of my *whole fortune* depended, attend to it myself.

"The fate of the Bank of Ayr in Scotland, which was a private association of many of the first nobility and gentry in that kingdom, ought to be a warning to all persons how they dabble in banks, without an incorporation. The duke of Buccleugh's whole estate is now pledged for the redemption of the engagements of that bank, though he was far from being a considerable proprietor:—this is a fact well known.

"I must confess I am at a loss to guess at the motives of the directors in not calling a general meeting of the stockholders, after the application for a charter did not succeed, to take their sense, whether or not they would proceed without a charter. This would have been acting with candor, and the subscribers had a right to expect it. I will not suppose that those who expect *handsome salaries* from the establishment of the bank were afraid of hazarding this question for fear of defeating their hopes from this quarter. I will rather imagine that their zeal for this institution hurried them to an exercise of powers which are certainly *not vested in them* by the subscribers, and that they have not sufficiently attended to the risk in which they would be involved by proceeding without a charter. I have taken some pains to ascertain the law on this point—and am convinced my observations are well grounded. I have, therefore, esteemed it my duty as an honest man, to enlighten such as may be uninformed on this subject."

*"A Subscriber to the Bank."*

Here we see the caution of our early capitalists and business men on the subject of banking; and it is important to observe that they considered the

main object of obtaining a charter at that time to be, to relieve the stockholders from special liability for the debts of the bank; which liability is now insisted on by the enemies of moneyed institutions as the condition of granting an act of incorporation.

But in the case of the Bank of New York, so imperative were the demands of commerce in the emporium of trade which was then rising, phoenix-like from the ashes of the revolutionary war, that the capitalists engaged in the enterprise determined to organise the bank without the charter which the legislature of the state had refused; nor was an act of incorporation obtained from the sturdy Knickerbockers, who ruled the state, until the year 1791. Consequently, the bank transacted its business for seven years without a charter.

In the "*New York Journal*," before referred to, of June 2d, 1784, we find the following:

"It is expected that the Bank of New York will soon commence its operations, as the president and directors on the 22d ultimo, were qualified before his worship the mayor, to conduct the business of the bank, to the best of their knowledge and abilities for the interest and benefit of the proprietors, and agreeable to the true intent and meaning of the constitution."

The bank went into operation on the 9th of June, 1784, agreeably to the following notice and regulations, which were published:

*"New York, June 9, 1784.*

**"BANK OF NEW YORK.**—Notice is hereby given that the Bank of New York will be opened this day, Wednesday, the 9th of June, instant, and applications for discounts will be received on Wednesday next.

"By order of the directors. ALEX. McDOUGALL, *Pres't.*

"For the information of persons transacting business with the Bank of New York, the following rules observed at the bank are published:

"The bank will be opened every day in the year, except Sunday, Christmas Day, New Year's Day, Good Friday, the 4th of July, and general Holidays, appointed by legal authority.

"The hours of business from 10 to 1 o'clock in the forenoon, and from 3 to 5 in the afternoon.

"Discounts will be done on Thursday in every week, and bills or notes must be left at the bank on Wednesday morning, under a seal cover, directed to William Seton, cashier. The rate of discount is at present fixed at six per cent. per annum; but no discount will be made for longer than thirty days, nor will any note or bill be discounted to pay a former one. Payment must be made in bank notes or specie. Three days of grace being allowed upon all bills or notes, the discount will be taken for the same.

"Money lodged at the bank may be withdrawn at pleasure, free of any expense; but no draft will be paid beyond the balance of account.

"Bills or notes left with the bank will be presented for acceptance, and the money collected free of expense."

The rate of discount by a notice published in 1787, was fixed at seven per cent. per annum, but the time of notes to run was still continued at thirty days.

The following were the directors in 1787.

ISAAC ROOSEVELT, *President*,  
Nicholas Low,  
Comfort Sands,  
Thomas Randal,  
William Maxwell,  
Robert Bowne,  
Samuel Franklin,

Daniel McCormick,  
Joshua Waddington,  
Thomas B. Stoughton,  
John Vanderbelt,  
William Constable,  
WILLIAM SETON, *Cashier.*

Mr. Waddington, one of the directors was a native of England, but came in early life to New York, where he had a long career as a highly respectable merchant. He occupied a seat at the board of directors in this bank for the remarkably long period of sixty years, which is probably unexampled in financial history. His interest in the affairs and management of the bank only terminated with his death, which took place on the 29th Feb'y, 1844.

In 1791, the bank obtained a charter from the state, the act of incorporation having been drawn by Gen. Alexander Hamilton, which has not been materially altered to this day. The capital authorised was \$1,000,000, but, for a long time, the amount paid in was \$950,000, afterwards \$965,000, and finally made up to \$1,000,000, as originally projected, and the present amount of capital. In 1791, Mr. Roosevelt having resigned as president, Gulian Verplanck was elected, and he was succeeded by Nicholas Gouverneur. Herman Le Roy succeeded the latter, but soon resigned, and in 1804, Gen. Matthew Clarkson was appointed, and held the office until 1825, when, on his resignation, Charles Wilkes was appointed. Mr. Wilkes was first teller of the bank in its early stages; he came to this country from England, in company with John Jacob Astor on his return from a visit to Europe. In 1794 Mr. Seton resigned as cashier, and was succeeded by Mr. Wilkes, who acted in that capacity until his appointment as president in 1825, when Cornelius Heyer was chosen cashier, and on the latter being appointed president, Mr. A. P. Halsey, the present cashier, succeeded him. Mr. John Oothout is the present president of the institution.

The bank in October, 1791, declared a dividend of 7 per cent. for the previous six months, and since that period its ordinary dividends have been very uniformly from 8 to 10 per cent. per annum, excepting during the suspensions of specie payments in 1814 and 1837. Without going into particulars we may state, in round numbers, that the total amounts of dividends for 64 years, have been about 500 per cent., or *five times the amount of the capital of the bank.*

No institutions of the kind in the United States have been managed with more discretion and integrity than the Bank of New York. A large majority of the stock of the bank having been always held by retired capitalists, seeking only for a fair investment of their means, it has been enabled to confer great benefits upon the community of New York by loans to business men of integrity and enterprise: and while discouraging a spirit of speculation, it has never ceased to sustain the regular dealers among their customers, during periods of commercial distress.

The Bank of New York has been signally exempt from those losses and misfortunes that have been felt by other institutions, who have permitted their means and resources to be diverted from the regular channels of business with a view to sustain stock operations and stock operators.

*Names of the Presidents and Cashiers of the Bank of New York, since its establishment.*

| <i>Presidents.</i>           |              | <i>Cashiers.</i>                |
|------------------------------|--------------|---------------------------------|
| Gen. Alexander McDougall.... | 1784         |                                 |
| Isaac Roosevelt.....         | 1791         | Wm. Seton..... 1791 to 1794     |
| Gulian Verplanck.....        | 1791 to 1799 | Charles Wilkes... 1794 to 1825  |
| Nicholas Gouverneur.....     | 1799 to 1802 |                                 |
| Herman Le Roy.....           | 1802 to 1804 |                                 |
| Matthew Clarkson.....        | 1804 to 1825 | Cornelius Heyer... 1825 to 1832 |
| Charles Wilkes.....          | 1825 to 1832 | Anthony P. Halsey 1832          |
| Cornelius Heyer.....         | 1832 to 1843 |                                 |
| John Oothout.....            | 1843         |                                 |

# THE PANIC IN EUROPE.

From the London Bankers' Magazine.

At the time of the publication of our last number, the intelligence had just reached England of the extraordinary revolution that had taken place in France, by which the monarchy in that country had been overthrown, and a republic established in its place. It was uncertain at the time we wrote whether this result had been effectually accomplished, but subsequent events soon proved that the change was complete. The occurrences that have since occurred are unparalleled in history! The revolutionary principle has spread throughout Europe, producing the most unexpected changes of government; and the French have adopted and are now attempting to work out a new social theory, opposed altogether to all the established rules of political and social science. The subjects of nearly all the German states have thrown off the allegiance to their sovereigns, or have demanded and obtained such radical alterations in their political institutions as must, for the future, altogether alter their political condition. These changes have as might be expected, been accompanied, by a monetary panic on the continent unequalled by any that has occurred during the last thirty years of peace, and productive of the most disastrous results to banking and commercial interests. It does not fall within our province to comment on the political events of the time, but we shall endeavor to present a faithful record of the chief incidents of the monetary crisis.

The immediate effect of the French revolution on the quotations of the French funds will be seen from the following list of prices:—

| On Wednesday, the 23d of February,<br>at the close of the day before the<br>abdication of the king of the<br>French:— |          | On Wednesday, the 7th of March,<br>after having been closed for twelve<br>days, the Bourse opened at the<br>following rates:— |          |
|-----------------------------------------------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------|----------|
|                                                                                                                       | f. c.    |                                                                                                                               | f. c.    |
| The five per cents. were at                                                                                           | 116 75   | Five per cents.,                                                                                                              | 97 50    |
| The three per cents.                                                                                                  | 74 10    | Three per cents.                                                                                                              | 58 00    |
| The Bank of France,                                                                                                   | 3,180 00 | Bank of France,                                                                                                               | 2,400 00 |
| Orleans Railway,                                                                                                      | 1,185 00 | Orleans Railway,                                                                                                              | 1,000 00 |
| Rouen Railway,                                                                                                        | 863 00   | Rouen,                                                                                                                        | 550 00   |
| Northern Railway,                                                                                                     | 542 50   | Northern, .                                                                                                                   | 390 00   |

On Monday, the 20th of March, the prices were as follows:—

|                   |          |              |          |               |
|-------------------|----------|--------------|----------|---------------|
| Five per cents.,  | 72 00    | or a fall of | 44 75    | from Feb. 23. |
| Three per cents., | 51 90    | "            | 23 10    | "             |
| Bank of France,   | 1,650 00 | "            | 1,530 00 | "             |
| Orleans Railway,  | 600 00   | "            | 585 00   | "             |
| Rouen do.         | 415 00   | "            | 448 00   | "             |
| Northern do.      | 337 60   | "            | 205 00   | "             |

The want of confidence indicated by the continued fall in the quotations up to the present time, is chiefly attributable to the acts of the French Provisional Government.\* No doubt the sudden overthrow of an old estab-

\* The Provisional Government, who assumed the executive powers on the abdication of the king, was composed of the following members:—Messieurs *Dupont (de l'Eure)*, *Lamartine*, *Cremieux*, *F. Arago*, *Ledru Rollin*, *Garnier Pages*, *Marie*: with four secretaries, who are MM. *Armand Marrast*, *Louis Blanc*, *F. Flocon*, and *Albert*.

The first act of the Provisional Government was to nominate the ministry, which was composed of MM. *Dupont (de l'Eure)* president; *Lamartine*, minister of foreign

lished order of things would have produced a severe shock to public confidence; but the decrees which the Provisional Government have issued, have shown such an utter disregard of the ordinary guarantees for the good faith of a nation, that we need not be surprised at the result. The more important of those decrees and the circumstances attending them we shall present in chronological order; and as this will be the most convenient form for exhibiting the chief features of the crisis, we shall briefly notice the principal mercantile failures, and other monetary occurrences, in the same way in our usual "Summary of the Money Market."

The first financial decree of the government requiring notice was that relating to the savings' banks, and the *non-payment of savings' banks depositors*. A run having taken place on the savings' banks, the Provisional Government issued a decree, by which it was decided that not more than 100 francs in coin should be paid to any depositor; but that the balance due to him should be payable in treasury bills, and 5 per cent. *rentes* at par (the market price being at the time under 80 per cent.!) This confiscation of the property of the savings' banks depositors increased the panic and want of confidence; notwithstanding the rate of interest to be paid by the savings' banks was raised to 5 per cent. The public accordingly withdrew the balances belonging to them in the hands of their bankers, and brought the latter to a state of temporary insolvency; and this led to a run upon the Bank of France itself. The particulars of the separate bank failures we quote hereafter; but the suspension of cash payments by the National Bank is an event which requires to be described more fully.

*Suspension of Cash Payments by the Bank of France.*—In consequence of the continued run on the Bank of France for payment of its notes in coin, the governor addressed the following communication to the government.

PARIS, March 15.

"Monsieur le Ministre—I have had the honor of giving you an account, day by day, of the operations of the bank. You have been pleased to appreciate the efforts which it has made to support the transactions of commerce and the public credit. From the 22d of February to the 15th of March, that is to say, in fifteen business days, the bank has discounted in Paris the sum of one hundred and ten millions. Of the one hundred and twenty-five millions which it owed to the treasury, it has paid seventy-seven millions. We do not include in that sum eleven millions placed at the disposal of the treasury in different banks, to meet the urgent necessities of the public service in the departments of the Var, Bouches de Rhode, Gard Herault, &c. Besides this, the bank has discounted forty-three millions in the towns in which it has branches, and it has also supported the trade of Angouleme, Besan-

affairs; F. Arago, to the navy; Ledru Rollin, to the home department; Goudchaux, to the finance; Cremieux, to justice; Marie, to public works; Carnot, to the public instruction; Bethmont, the trade offices; Subervie, to the war office.

M. Goudchaux subsequently resigned his office of minister of finance, which was undertaken by M. Garnier Pages, the then mayor of Paris.

General Cavaignac was named governor-general of Algeria; M. Garnier Pages, mayor of Paris, with MM. Guinand and Recurt as his assistants. M. de Courtais, commander-in-chief of the National Guards of Paris and the Seine department.

Two elements exist in this government. The moderate democratic party, of the '*National*' newspaper, is represented by MM. Lamartine, Marie, and Armand Marrast; and the ultra-radicals of the '*Reforme*' newspaper, by MM. Ledru Rollin, Arago, Flocon, and Louis Blanc. Every one in Paris knows the true cause of the nomination of M. Goudchaux, the banker, as minister of finance. He had in his possession bills of M. Ledru Rollin for the sum of 22,000 f.; these bills had been dishonored, and M. Ledru Rollin was vainly seeking everywhere to borrow money in order to pay them. But he received them back, as he had caused M. Goudchaux to be named minister of finance.

con, Caen, Mulhausen, Strasburg, &c. By discounts at Paris it has endeavored to prevent the suspension of payments in the departmental banks of Rouen, Havre, Lille and Orleans. The Bank of Marseilles has been aided by the branch at Montpellier. The promptitude and the largeness of these operations of the bank gave us the hope of overcoming the crisis, and we flattered ourselves with that hope till this day. We should probably have succeeded, but for the extraordinary and exaggerated demands occasioned by fear. In the interval between the 26th of February and the evening of the 14th of March, the amount of cash in the bank coffers in Paris diminished from one hundred and forty millions to seventy millions—that is to say, seventy millions. This morning the panic declared itself. The holders of notes presented themselves in crowds at the bank. New counters were opened to facilitate the accelerated operations. More than ten millions have been paid in cash. There only remains at Paris this evening fifty-nine millions. To-morrow the crowd will be still greater; and in a few days the bank will be entirely unprovided with specie. In these grave circumstances, we are obliged to have recourse to your vigilant and energetic solicitude, and to that of the government.

"The council-general of the bank, deliberating on this state of affairs, has directed me to submit to you, the proposition to demand of the Provisional Government the following dispositions:—

"Until further orders, notes of the Bank of France and of its branches shall be reputed legal money. The Bank of France will not be bound to reimburse them in cash.

"The Bank of France is authorised to issue notes of two hundred francs. The maximum of the total circulation of the Bank of France and its branches cannot exceed three hundred and fifty millions.

"The Bank of France will publish every eight days its situation in the '*Moniteur*.' Receive, sir, the assurance, &c.

"D'ARGOUT."

On the receipt of this letter, the Provisional Government issued the following decree:—

"Considering that for some days the demands for reimbursement at the bank have been such as to threaten to exhaust the reserve of the specie;

"Considering that such a state of things places the bank in the alternative of either completely suspending its discounts, or obtaining authority to no longer make its payments in cash;

"Considering that the suspension, or even the restriction of discounts by the bank, will strike a disastrous blow at industry and commerce;

"Considering that such suspension would lead to a cessation of labor, and that it would plunge the working classes into misery; and whereas, far from permitting such a suspension or restriction, the government of the Republic wishes to give to that establishment the means of furnishing to industry and commerce the powerful instruments of credit; and whereas it is indispensable to preserve at Paris the specie belonging to the treasury, and which is lodged in the bank; and whereas, the really prosperous situation of the bank, and the guarantee formally stipulated of the limitation of issue, give to the public every desirable security,

"On the proposition of the Minister of Finance, decrees:—

"Art. 1. From the date of this decree, notes of the Bank of France shall be considered a legal tender.

"Art. 2. Until a fresh order, the bank is released from the obligation to pay its notes in cash.

"Art. 3. In no case can the issue of the bank and its branch establishments exceed 300,000,000f.



"Art. 4. To give facilities to circulation, the Bank of France is authorised to issue *coupures*, which cannot be under 100f.

"Art. 5. The provisions of the present decree are applicable to the branch establishments in the departments.

"Art. 6. The Bank of France will publish the state of its affairs weekly in the *Moniteur*.

"Signed by the members of the Provisional Government, and countersigned by the secretary. Paris, 5th March, 1848."

The immediate effects of the suspension of cash payments by the bank was to improve, in a slight degree, the quotations of the funds in the French market; but the notes of the bank declined considerably in value as compared with specie.

"At the money changers, all day, when any demand was made to obtain silver for a Bank of France note, the reply was, invariably, 'We have no change!' If the price was asked for changing, the answer was, 'Oh! as usual, only 15c.' But if the demandant declared that he must absolutely have change at any sacrifice, silver could be found for 100f. on each note of 1,000f., the sum given for it being 900f."

In authorising the suspension of cash payments by the bank, the government no doubt acted on compulsion. If they had not sanctioned the measure, the bank would have been drained of all its specie, and would then have stopped under more disastrous circumstances. But the fact of the suspension shows the entire want of confidence existing, and will explain the cause of failure of the expedients subsequently resorted to by the government with the view of mitigating the monetary pressure.

*Establishment of Discount Banks.*—In consequence of the alarming condition of the trade of the country, and the continued failures which occurred daily, the government determined on establishing banks for discount throughout the country, which it was hoped would enable the merchants and traders to obtain accommodation, and thus meet their obligations. Two decrees were published, establishing these banks. The first sets forth that—

"Considering, that in consequence of recent events, considerable difficulty exists in the means of private credit, and that such difficulty affects especially manufactures and retail commerce, it is necessary to give the example of one of those fruitful associations which, by uniting strength, secures to all the benefit of credit, and the guarantee of labor," it is decreed:—

"Art. 1. That in all industrial and commercial towns there shall be established a national discount bank, destined to increase credit, and to extend it to all the branches of production.

"Art. 2. These banks shall have a capital of which the amount shall vary according to the necessities of the localities.

"Art. 3. The capital shall be formed in the following proportions:—

"1. A third in cash by the associating subscribers.

"2. A third in obligations by the towns.

"3. A third in *bons de Tresor* by the state."

The second decree is with respect to the establishment of a discount bank in Paris, and is to the following effect:—

"Resolved!—1. There is established in Paris a national bank of discount, for the purpose of giving the means of credit to trade and industry.

"2. The bank shall have a capital of twenty millions.

"3. The trade of Paris has subscribed for a third of that sum. The city of Paris has promised the second third in obligations. The state will contribute the remaining third in *bons de Tresor*.

"4. The statutes of the bank shall be published, and it will enter immediately into its functions."

It will be observed that two-thirds of the capital of these banks are to consist of bonds of the towns where the banks are established, and government securities; and the banks' issues would, therefore, necessarily consist of inconvertible paper, chiefly of the Bank of France. It was remarked, with much truth, that

"The inevitable result of such an extensive addition of treasury notes, and of municipal securities, would seem to be a depreciation in their current value, and in that correspondingly of all public security. As discount accommodation, to be of any real service in France, must be afforded in specie, it is difficult to understand how, without an immense cost, the treasury and municipal paper can be turned into francs."

At the time we write, the effect produced by the establishment of these banks of discount has not had time to exhibit itself. They had no influence apparently in raising confidence, for the Provisional Government have been obliged to adopt other measures, "with the view of sustaining credit," but which, to commercial men here, seem calculated to destroy it altogether.

The chief of these measures has been a decree postponing the payment of bills of exchange for ten days, from 23d February, and, subsequently for fifteen days; and directing the law courts to *suspend proceedings on all claims for three months*, so as to prevent creditors taking any steps for the recovery of their debts in the meantime.

This decree has provided, that in cases where legal proceedings shall be thus suspended, an assignee is to be appointed to superintend the affairs of the debtor; but the measure is regarded almost as a declaration of national bankruptcy.

"We may assume," says the *Times*, "that for a quarter of a year at least the French people have entirely suspended payments. Whether after that period of immunity, and after the confusion into which all things will have been thrown by the abandonment of manufactories, the flight of capitalists, the repudiation of contracts, and all the other evils which will have been in progress, old liabilities will revive and be restored to the sacred position they are now supposed to hold, is a point upon which even the most sanguine would hardly venture to express a favorable anticipation."\*

The subsequent measures of the government for the purpose of "restoring confidence" have been marked by the same violation of established custom and law. In order to facilitate the operations of the banks of discount, which have no real capital, the state has undertaken to *make advances to merchants in treasury notes, on the deposit of merchandise*; these notes being discountable at the discount banks in inconvertible paper. A decree has also been issued repealing the law which required the names of *three parties* to all bills discounted by the Bank of France. In future the names of the drawer and acceptor, if accompanied by a treasury note issued on the deposit of merchandise, is to be sufficient.

The Provisional Government have it in contemplation, it is said, to purchase up the shares of all the railway companies, paying the shareholders in national stock; but as this can hardly be effected, except by the actual confiscation of private property, it will not, perhaps, be insisted on at present. It is not probable that shareholders will give up a tangible security for French rentes at an enormous discount, and which may at any time be repudiated by the "National Convention" about to be assembled, or even by the Provisional Government itself.

\* At the time we are writing, advice has been received from Paris, that on the 25th March, (when the bills on which time was allowed became due,) no fewer than 12,000 had been protested for non-payment!

In our summary of the money market for the month, on another page, we have shown the effect which the present state of affairs in France has had on the value of our own, and French securities; and we have there given a list of the chief continental failures. We fear that the crisis has not yet reached its height. A general disturbance of the peace of Europe seems imminent; and the financial difficulties of the French government may, it is feared, even hasten such a calamity.

The last advices from Paris, at the time we are writing, gives the following description of the actual condition of affairs there:—

“There is nothing that shows the slightest improvement in the mercantile world. Commerce is completely at a stand, and does not exhibit the slightest symptom of change. Credit does not exist: capitalists are removing all the property they can from a country of which they cannot foresee the future. The fund belonging to the government in the hands of the Bank of France has diminished one-half, and does not amount to a week’s expenditure. Manufacturers are stopping their works, and the unemployed laborers are thrown as an additional burden on the already overburdened finances of the government. An experiment on the organization of labor is about to be tried, which, in the opinion of all practical men is sure to result in disappointment, and of which the expense will be ruinous. Throughout the whole of France the position is the same. The distress and alarm are as great at Bordeaux, Marseilles, and Lyons, as at Paris. The government cannot assist, for it is powerless. Its position is nearly as bad as that of the commercial community. The last returns show that all the money it has in the Bank of France does not amount to twenty millions of francs—a sum considerably less than the expenditure of the previous week. The revenues to be sure are coming in, but not in sufficient quantity to meet the outgoings. Thousands of laborers, thrown out of their regular employment by the revolution, look to the government for their work and wages, which it so imprudently promised; and, in fact, the number at present supported by the government, and employed upon works of very doubtful utility, is so great, that their wages amount to six or seven hundred thousand francs a day. What then is to be done? A loan is impossible, for confidence, both public and private is gone. It is even to be feared that the Provisional Government, in the hope of escaping from some of the difficulties by which it is surrounded; may be induced to commit an act of desperation which would plunge all Europe in war; and some see, in the tacit encouragement given to the Belgian, Sardinian and Polish revolutionary expeditions, the commencement of a more open and more direct plan of aggression.”

#### *Circulation of the United Kingdom.*

The following is the state of the notes circulation of the United Kingdom, for the month ending 29th January, 1848.

Circulation of Notes for the month ending Jan. 29, as compared with the previous month.

|                              | Jan. 1, 1848.       | Jan. 29, 1848.      | Increase.        | Decrease. |
|------------------------------|---------------------|---------------------|------------------|-----------|
| Bank of England.....         | 17,956,761          | 18,977,446          | 1,020,685        |           |
| Private Banks.....           | 3,528,273           | 3,745,700           | 217,427          |           |
| Joint Stock Banks.....       | 2,410,322           | 2,534,855           | 124,533          |           |
| <b>Total in England.....</b> | <b>23,895,256</b>   | <b>25,258,001</b>   | <b>1,362,745</b> |           |
| Scotland.....                | 3,341,317           | 3,161,022           |                  | 180,295   |
| Ireland.....                 | 5,196,116           | 5,233,916           | 37,800           |           |
| <b>United Kingdom.....</b>   | <b>£ 32,432,689</b> | <b>£ 33,652,939</b> | <b>1,220,250</b> |           |

## LIFE INSURANCE.

Decisions in the English Courts—Continued from the May number, page 684.

## LEFEVRE v. BOYD, K. B., December, 1831.

An action to recover from the defendant, a tradesman in Newgate street, £832 1s. 6d., paid to him on a policy of assurance effected under fraudulent circumstances.

It appeared that two persons (brothers) of the name of Edwards, had, for their own purposes, induced their half-sister, Miss Jane Lydia Simpson, to effect insurances on her life to a considerable amount in different insurance offices, and that on these occasions they (the Edwards') were the referees, not stating, however, that they were her brothers. In answering the references, it appeared they used considerable art; one of them, to the usual question of how long he had known the party answering, "From her infancy;" and the other, "For many years." They stated also, that Miss Simpson was in good health at the time of effecting the policy: but it appeared that she was then in a state of pregnancy by William Reid Edwards, her half-brother.

It was not sought to connect the defendant Boyd with the fraud further than by showing he had represented to the office that he took the assignment of the policy from Miss Simpson to secure a debt due from her, when, in fact, there was no such debt in existence; the debt being, in truth, due from Henry Edwards, for whose benefit the policy had been originally effected.

Amongst other witnesses for the plaintiffs, Mrs. Bradbury was examined: she was a widow, residing in Clerkenwell, and stated as follows:—"I know Henry Edwards: whilst residing in Brunswick square, he practised as a surgeon. He brought Miss Simpson, his sister-in-law, to my house: she was in a state of pregnancy. Miss Simpson, at the request of her brother Henry, took her oath on the bible that her brother William was the father of the child of which she was pregnant; Henry made her take that oath: she was delivered at my house. The child was ill. It was affected with ———, and died about two months after its birth. The mother was not ill to my knowledge beyond that usually attending a lying-in-woman. I received £1 a week for board and lodging, and after the birth of the child 30s. Miss Simpson afterwards went to a school in the country: I believe in Berkshire."

Letters from Miss Simpson to a school-fellow, stating her ill state of health in the year 1828, were put in and read.

*Dr. Paris.* "I am a physician. I have heard the evidence. I consider Miss Simpson could not have been in the state of health described by Edwards. I consider that the circumstances under which Miss Simpson had a child were likely to affect the duration of her life: but, under ordinary circumstances, I consider it would not be material to mention the circumstance of the party having had a child.

Thomas Erskine Grant gave evidence to show a debt due from Henry Edwards to the defendant.

The defendant did not call witnesses.—Verdict for the plaintiffs.

**KINNEAR v. BORRODAILE AND OTHERS, K. B., July, 1832.**

An action by the executrix of Mr. Thomas Kinnear, of the firm of Kinnear & Company, of Mansion-house-street, to recover from the directors of the Rock Office £2000, effected by Mr. Kinnear on his own life.

The defendants, having pleaded that they were not liable, the insured having committed suicide, took upon themselves to begin, and to prove the affirmative of the issue.

Much evidence was given to make out the defendants' case: but it was not at all satisfactory; the testimony of the medical men was conflicting; and the jury, stopping Mr. Campbell in his address on behalf of the plaintiff, stated they were satisfied, and found a verdict for the plaintiff.

**SWETE, v. FAIRLEE, Feb. 28, 1833.**

The plaintiff, on the 31st of May, 1827, effected a policy in the Globe Assurance Office, by which that office undertook to insure the life of Thos. Abraham, Esq., for £5000. The defendants signed the policy, which had been kept up by annual payments. The plaintiff was interested in the life of Mr. Abraham, and in April, 1830, while the policy was in force, that gentleman died.

It appeared that the plaintiff on the 30th of April, 1827, contracted to purchase an estate dependent on the life of Mr. Abraham, and applied to the agent of the Globe Office at Exeter to effect an insurance for £5000. Two temporary insurances for fourteen days each were made at Exeter, and in the mean time the usual forms were forwarded to Mr. Abraham in town; and, in reply to the question whether he was afflicted with "gout, fits, asthma, or any other disorder tending to shorten human life," he wrote as follows:—"Neither—occasional indigestion only."

Mr. Abraham appeared before the directors at the office in London; he also referred to Mr. Vance, a surgeon, Mr. George Long, and Mr. Grindall. Mr. Vance wrote to the office as follows:—"I have known Mr. Abraham for the last three years; I have, on two or three occasions, given him a little advice for slight gastric disturbance, but I believe him to be a very healthy, strong man; and I am not acquainted with any personal imperfection, or with any habits of life which should induce me to give you any caution as to insuring his life at your office." It appeared also that one of the directors of the Globe wrote as follows:—"I know Mr. Abraham very well, and should consider him quite an unexceptionable life."

Several members of Mr. Abraham's family, several gentlemen of the bar who had been his pupils, and others who knew him in practice, together with several attorneys who had professionally employed him, were called as witnesses on the part of the plaintiff, and stated that, with the exception of occasional attacks of bile and temporary depression of spirits, which they attributed to domestic circumstances, Mr. Abraham, though florid and robust, and sometimes exhibiting symptoms of determination of blood to the head, was, as far as they knew, in an excellent state of general health up to the fall of the year 1827; and they stated that, in their opinion, he was in good health, both of body and mind, at the time when the insurance was made, viz. the end of April in that year.

About the beginning of September in the same year he became ill, and was disordered in mind: but he went into court during the ensuing term. It appeared, however, from the evidence of one of his sisters, that in 1823, in consequence of depression of spirits, he was attended by a medical man

named Williams, who was in partnership with Dr. Burrows, and by his advice Dr. Burrows was called in. Dr. Burrows recommended that Mr. Abraham should be removed from business to an establishment of the doctor's in the neighborhood of London; but on the sister's objecting to this, and Dr. Sutherland, who also saw him, not considering it necessary, he only took lodgings at Hampstead, and came to town every day, and attended to his business. This, after some short time, restored him to health.

Mr. Vance, the surgeon, was also called as a witness, and gave his opinion of the good state of Mr. Abraham's health. He admitted, on his cross examination, that, if he had known that Mr. Abraham in the year 1823 had been attended by Dr. Sutherland, Dr. Burrows, and others in that line of practice, he (the witness) should have thought it his duty to communicate the fact to the office; but he added that in his opinion such a circumstance in 1823 would not prevent Mr. Abraham being an insurable life in 1827, he being then, in the witness' opinion, a recovered man.

*Scarlett for the defendants.*—There was a withholding of facts material to the risk. It appears, from the certificate of the surgeon at Ashburton, that he had attended Mr. Abraham for a year, and that his death was occasioned by apoplexy. Information should have been given to the office of the illness of 1823. There is no doubt that he was thought a good life, and there is no fraud; but the non-communication of a fact important to the risk avoids the policy. The person who effects an insurance on another's life, renders that other his agent, and is bound by his representations: "*Von Lindenau v. Desborough.*" The last case is that of "*Duckett v. Williams,*" tried in the Exchequer by lord Lyndhurst in December, 1831: it was an action by one office against another. The policy was on the life of Mr. Stephenson, who appeared before the directors. Lord Lyndhurst told the jury that, if they were of opinion that the fact not mentioned was material to the risk, the defendants were entitled to the verdict, though the plaintiffs, the other insurance office, were quite ignorant of it. A motion was made in that case for a new trial, but a rule was refused. The jury inquired of lord Lyndhurst if they were to be satisfied of concealment: His lordship upon this introduced a very correct distinction: he said to the jury, "You use the word *concealment*—I do not choose to use that word, as it may import a fraud; the mere non-communication of the facts, if you are of opinion that they were material, will avoid the policy. In the present case Mr. Abraham, to whom I do not impute any fraud, says emphatically, "*occasional indigestion only*:" this the healthiest man may have; and it is not, in fact, a disease at all: but he was subject to determination of blood to the head, and this is a very different thing, and ought to have been communicated. Determination of blood to the head and apoplexy are connected; and, as he had one fit so soon after the policy as August, 1827, and eventually died of apoplexy, the determination of blood to the head was very material. The delusions, also, under which he labored as to the supposed falling off of his business, and as to the conduct of the bench and the bar towards him, were very material. If these communications had been made, would not the company have made further inquiries to see if it would not require a higher rate of premium? and if they would, then the policy is void.

*On the part of the defendants,* a person who had been clerk to Mr. Abraham was called, and deposed to facts which tended strongly to show decided insanity for several years; but on cross-examination his credit was very materially shaken.

Dr. Burrows was then examined, and produced a memorandum which he made respecting Mr. Abraham when he attended him in the year 1823;

it contained the words "florid complexion, prominent eye, confusion of ideas," &c. He said that in his opinion what occurred then was material to be communicated to the Globe Office, because, though it was but an incipient state of insanity, yet it was attended with strong symptoms of determination of blood to the head, which would lead to the conclusion that, if the party did not actually go mad, his days would most likely be shortened by apoplexy.

Several other medical witnesses gave their opinion that the communication was material, taking the facts to be as Dr. Burrows had stated.

*Campbell (Solicitor-general) in reply.*—Mr. Abraham himself went before the directors, and submitted himself to any inspection they thought proper. Mr. Vance also wrote the letter which has been read, and Mr. Boyce Combe, one of the directors, another to the same purport. This case differs from "*Duckett v. Williams*," as, in that case, the person whose life was insured was dangerously ill at the time of effecting the policy; but in this case Mr. Abraham was in a perfect state of health.

*Lord Denman.*—It will be as well to clear our way as we go upon this point. I believe the defence in "*Duckett v. Williams*" took two grounds. One was the diseased state of Mr. Stephenson, and the other was the non-communication of material facts.

*Campbell.*—I am not aware of any case which decides that the mere non-communication of a fact by a party whose life is insured (being a stranger to the party effecting the insurance) will vitiate the policy. The directors might have put any questions to Mr. Abraham when they had him before them; they had the means of information, which the plaintiff had not; and if they neglected to avail themselves of those means, the loss must fall upon them. But, if Mr. Abraham was, strictly speaking, the agent of the plaintiff, what was there that he knew that he has not communicated? He could not be aware that he had incipient insanity in 1823, though Dr. Burrows, from his superior means of knowledge, might have been aware of it; and it does not appear that Dr. Burrows ever communicated it to him, nor Dr. Sutherland, nor any other person. Therefore, supposing that he had incipient insanity in 1823, which I deny, he could not communicate it, because he did not know it. As to the form of the questions, some offices put them in the past tense, and inquire whether the party *ever had* the disorder, &c.; but the form of this office is, "*if afflicted with gout*," &c. The only concealment or non-communication relied on is not that of Vance or Grindall, but of Abraham himself. To the referees there is a request that they will favor the directors with all the information in their power respecting the state of the party; but the question to the party is only "*if afflicted with gout, asthma, fits, or any other disorder which tends to shorten life*:" that must mean at the time; and if so, where is the concealment? The clerk is not to be believed. If his statements are true, Mr. Abraham was in the years 1822, 1823, and 1824, in a state of perfect insanity; but there were sufficient causes, without insanity, to account for his anxiety. All the doctors that have been called had not seen him, but they gave their evidence upon Dr. Burrow's memorandum. He says there were "florid complexion, prominent eye, confusion of ideas," &c. Dr. Sutherland also was in court, and was not called. The individual whose life is to be insured, not being a medical man, has to answer a different set of questions from those put to the referees. The doctors only say that they would have communicated these things: there is no evidence of what the communication was which Mr. Abraham made when he personally appeared before the directors. Why did they not call their actuary, or some person present? How can we tell that the necessary questions were not asked by the medical man who is always present on such occasions?

*Lord Denman, (in summing up.)*—The last argument cannot, in my opinion, be insisted on, viz. the supposed inquiry on the personal appearance of Mr. Abraham; for it seems to me that the whole question turns upon the words—that, if there is any misrepresentation of the age or state of health of the party, it shall vitiate the policy. The question therefore will be, whether Mr. Abraham made a misrepresentation when he answered to the question whether he was afflicted with gout, &c.—“Neither; occasional indigestion only.” We are not trying a question of insanity, but insanity is brought, by a roundabout course, to bear upon the question of physical malformation. It seems there was sufficient cause for depression of feeling without insanity, in the state of Mr. Abraham’s domestic affairs. You have, in Dr. Burrows’ evidence, the direct testimony of an eye-witness, and an opinion founded upon that, as to the materiality of the communication. The other medical men found their opinions upon what Dr. Burrows has stated; and if he is quite correct in his account, it would be very difficult to say that the facts were not material to be communicated. But Mr. Vance differs in opinion as to their materiality. You will therefore have to say whether the communication was or was not material. I confess that I entertained at first considerable doubts whether a third person, not having any interest in the immediate cause, could, by any misrepresentation, injure the party making the insurance. I will not give any opinion on that point here: it may very fitly be considered elsewhere. But it does not appear that Mr. Abraham was aware of the facts; and this will raise a very important question of law, if you should think that there was a concealment of facts material to be communicated. And, therefore, the two questions which I shall leave to you will be:

*First.* Whether you think Mr. Abraham represented truly the state of his health, according to the question put to him?

*And secondly.* If he did not, did he know the state of health in which he had been, so as to furnish a proper answer to the question?

The jury said they thought that Mr. Abraham was not aware of what had taken place, and could not, therefore, communicate it; and they found a verdict for the plaintiff.

It does not appear that this verdict has been disturbed.

#### WAINWRIGHT v. BLAND AND OTHERS, *Exchequer*, 1835.

This was an action brought by the executor under the will of Miss Helen Abercrombie, against the directors of the Imperial Office, to recover 3000*l.* insured on the life of the testatrix. This case, (like that of *Lefevre v. Boyd*, and some others to be found in the present collection, p. 721,) is remarkable chiefly for the enormous fraud attempted to be committed upon the offices.

The case abounds in suspicion. Miss Abercrombie, a young lady having no expectancy, is induced to insure her life in sundry offices for *two years*. It appears that, in 1830, Miss Abercrombie effected insurances to the amount of 16,000*l.* for two years, and endeavored to effect them to the extent of 14,000*l.* more, making all sorts of strange representations as to the reason for insuring for two years. The suspicions thrown upon this case are so horrible that we prefer quoting the attorney-general’s words in his address to the jury.

“She (Miss Abercrombie) died on the 21st of December; but before she died she assigned two of these policies, under very mysterious circumstances, to the plaintiff; the one on the 13th December, and the other on the 14th. It was evident that she was a mere puppet during the ten days previous to



ner death. She came to town from Turnham Green, on the 10th, in perfect health: she went to the play on the 14th in high spirits, yet, on the 21st, she was a corpse. The jury were not called upon to say what was the cause of her death; that would be a frightful issue to submit to them. The symptoms, though consistent with nature, were not inconsistent with poison—mineral poison only could be detected in the stomach—it was difficult to say by whom it was administered; yet, on Tuesday, Dr. Locock left her at 11, when she was much better. He returned at 2, but in the interim Mrs. Wainwright administered some powder to her which the doctor did not prescribe. That fact was sworn to by the servant: that was the fatal cup. Shortly after she screamed, and continued in convulsions until her death. He (the attorney general) did not mean to say that Mrs. Wainwright knew that she administered to her poison. The jury might have read of the case of Miss Blandy, who poisoned her father, and, when he was writhing in agony, said, "I will administer a dose to you that will mitigate your pain;" at the same time she administered poison. Such was the case of Mrs. Wainwright, but he (the attorney general) hoped she did it unconsciously."

It appeared that the plaintiff left the country in July, 1831, and had not since been seen here.

The jury being unable to come to a decision, a juror was withdrawn by consent.

In December, 1835, this case was again brought on for trial, the plaintiff having had the boldness to bring it on again, by giving a new notice, notwithstanding the discouragement he met with on the first occasion.

Much evidence was gone into on the second trial, and there was nothing warranting an inference that Miss Abercrombie died from other than natural causes; indeed the attorney general for the defendants confined himself entirely to two points: that Miss Abercrombie and Mrs. Wainwright had made false statements at the insurance office; and that Miss Abercrombie had no interest in the policy, which was, in truth, effected for the benefit of the plaintiff Wainwright.

Lord Abinger said, The case was pregnant with suspicion. It was unnecessary to consider for a moment whether murder had been committed, (supposing that question had been raised,) because that would not prevent her executors from recovering, provided that the insurance had been effected *bona fide* on her behalf. His lordship directed the attention of the jury to the extraordinary fact of the young lady having effected the insurances for only two years, and reminded them that not a tittle of proof had been adduced to substantiate the reasons she had given at the offices for so doing. By the assignments and wills made by Miss Abercrombie, Mrs. Wainwright was placed in a situation in which the law would not allow any person to stand, namely, that of having an interest in procuring the death of a fellow-creature by lawful means. His lordship concluded with requesting the jury to state their reasons for their verdict when they delivered it.

The jury almost immediately returned a verdict for the defendants, on the ground of misrepresentation, and of Miss Abercrombie having no real interest in the assurance.

An application was made for a new trial, but refused.

**CHATTOCK v. SHAW.** *Exchequer, July, 1835. Col. Greswolde's case.*

The plaintiff in this action was a solicitor, and trustee of certain property in which Colonel Greswolde (formerly Captain Wigley) had a life estate, to which he had succeeded on the death of Henry Greswolde Lewis, Esq.,

then taking the name of Greswolde. The Right Hon. Henry Hobhouse had agreed to lend the colonel a large sum of money, to be secured on annuities granted by the colonel, accompanied by insurances on his life, and, amongst other offices, a sum of 5000*l.* was agreed to be effected with the Eagle Insurance Company, and Mr. Hobhouse signed the usual declaration. For reasons totally unconnected with the insurances, but arising from some difference of opinion as to the deeds to be executed by Colonel Greswolde, Mr. Hobhouse declined making the advance, and the plaintiff subsequently agreed to do so; Mr. Hobhouse wrote a consent to the directors of the Eagle Office for their granting the policy to the plaintiff, which was done on the plaintiff signing a fresh declaration, and paying an additional premium of 14*l.* 1*l.* 8*d.*, for increased risk on military service in Ireland.

The declaration was to the effect that the age of the colonel did not exceed thirty-three, that he was in a sound state of health, and had not been afflicted with, nor was subject to, gout, vertigo, fits, hemorrhage, &c., nor accustomed to any intemperate habits which tend to shorten life.

The defence was, misrepresentation as to the colonel's state of health, he having, as stated by the defendant's counsel, had fits, and being also of intemperate habits.

It was proved, beyond doubt, that the colonel had suffered from epileptic fits, followed by delirium, occasioned by a fall; and a mass of conflicting testimony was brought forward as to his habits of life, which (if a tithe of what was stated by the witnesses for the defence were true) were anything but temperate.

Lord Abinger said, the plaintiff had offered a great deal of evidence to negative the assumption that the colonel, before the policy, had been afflicted with, or was subject to, fits, and that he was accustomed to intemperate habits; and, if uncontradicted, it would have been conclusive; the evidence for the defendants did not rest upon the testimony of a few people, but was supported by so large a number that it was difficult to discredit it. His lordship left it to the jury to say whether they were satisfied that Colonel Greswolde had been afflicted with, and subject to, fits before the policy, or whether he was accustomed to intemperate habits; if they were so satisfied, they would find for the defendant; if not, they would find for the plaintiff.

The jury deliberated nearly five hours, and then found a verdict for the plaintiff, damages 5000*l.*

It may be deserving of remark, that, in his address in behalf of the defendant, the attorney general said, "The colonel was the agent of the assured: that was a point much disputed, but lately set at rest by the case of *Everett v. Desborough*," that the person whose life is insured is the agent of the insured; and, therefore, every concealment by the colonel would vitiate the policy."

In January, 1836, an application was made for a new trial, on the ground that the jury had decided against evidence. In support of his rule, the attorney general said, "The witnesses who deposed to the intemperate habits of Colonel Greswolde were persons who could not be mistaken. They swore that he was in the habit of drinking a bottle of sherry and eight bottles of brandy every morning before breakfast; that he used to drink three quarts of strong ale at breakfast and in the middle of the day; that he used to be the last man who left the mess, and when he returned from it he drank sherry until he was so drunk that he could not go to bed without assistance."

It is difficult to imagine such a state of things, but it is much more so to make a jury believe it. Colonel Greswolde's case was, to say the least of it, suspicious; but we cannot help thinking the defence was too highly colored, and to that may be, perhaps, attributed its failure.

The chief baron, in delivering judgment after the rule had been argued, expressed himself by no means satisfied with the verdict. His lordship said, "If I had been on the jury, I would have decided for the defendant. However, it does not follow that, because my impression is so, the court should overturn the verdict of the jury." His lordship then proceeded to say, that, if the case were as had been stated by the counsel for the defendant, one where the evidence was all on one side, a new trial might have been granted; but the court did not view the evidence in that light. As there was another action to be tried against another office, the court would not detail the reasons which influenced their present decision, but would merely state it was one for a jury to decide upon, and that the verdict ought not to be disturbed.

(K. B.) The case alluded to by Lord Abinger was that of Lord George Lennox against Desborough and others, directors of the Atlas Assurance Company, to recover 2000*l.* on a policy effected on the life of Colonel Greswolde. The cause was tried in Dec., 1836, and the jury found for the plaintiff on all the issues except the second, the most important, namely, whether the colonel had or had not been subject to fits prior to the date of the policy.

Upon this finding the court were of opinion that a verdict ought to be entered generally for the defendants, the other issues being, after such finding, immaterial.

In February, 1837, the court granted a rule to show cause why the verdict should not be entered for the plaintiff on the second as well as the other issues.

The case of the Northern Reversionary Company against the Asylum Assurance Company embraced only the simple question whether the life insured, the Hon. George Talbot, brother of the Earl of Shrewsbury, was of temperate habits when the policy was effected. The jury found he was not, and we think there was abundant evidence to justify their verdict.

In that of the Eagle against the Atlas, on the assurance of Cochran's life, we do not so clearly perceive the jury's reason for finding for the plaintiffs. It seems to us there was gross misrepresentation made as to Cochran's habits: he was, as Lord Denman truly said, "One of the most wretched young men he had ever heard described." We give a brief outline of the case.

**RAWLINGS v. DESBOROUGH, *Queen's Bench*, Dec., 1837.**

This important case took up three days, and the result was a verdict for the plaintiffs. It was an action brought by the Eagle Office against the Atlas, to recover a sum of 4000*l.* effected on the life of Mr. John Cochran. This unhappy young man, who was born to a good expectancy, and, in fact, succeeded to personal property of a large amount in value, had contracted habits of intemperance to a lamentable extent; and the evidence adduced on the part of the defendants detailed such a scene of profligacy and low associations, as sufficiently to justify Lord Denman in his remarks.

"He," (Cochran,) observed his lordship, "certainly does appear to have been one of the most wretched young men one ever has heard described: well born, without a single decent habit; well connected, without one respectable companion: the young son of a widowed mother, without any appearance of feeling or affection."

One of the plaintiff's witnesses stated, unhesitatingly, that Cochran would drink sherry and water, brandy and water, ale, rum, shrub, gin and peppermint, it did not matter what.

The witness, (who was Mr. Cochran's groom,) added, "We generally dined with him, and took wine together: he could not smoke, so we took our cigars, and he his wine."

We cannot give, here, a twentieth part of the voluminous evidence taken on the trial of this cause; that on the part of the defendants, as we conceive, made out a strong case of intemperate habits and of misrepresentation with regard to the health of Cochran. Notwithstanding that, however, the jury appeared to take a different view of the case, and, after retiring for an hour and a quarter, returned a verdict for the plaintiffs on all the issues.

**PALMER AND ANOTHER, EXECUTORS, v. THE CHAIRMAN OF THE ALLIANCE COMPANY. Tried at Norwich, July, 1841.**

The action was brought by the executors of Thomas Wilcox Howes, to recover the sum of 1500*l.* insured on the life of the deceased; the company disputing their right to pay the amount of the policy, and urging that Howes was afflicted with consumption, and that his habits were such as to be prejudicial to the duration of life.

The report of this case is so voluminous, that we cannot go very much into detail, but will endeavor to select the most important parts of the evidence.

A great number of witnesses were called for the plaintiffs, who deposed, generally, to the fact of the deceased being an insurable life, including four gentlemen of the faculty; and the effect of their statement was to show that the deceased, at the time of the insurance, was not laboring under consumption: there was also much evidence in regard to the mode of life and habits of the deceased, which were said to be temperate.

On the part of the defendants, Mr. Bell, a surgeon at Hull, was examined, and stated he had attended Howes, the insured, for an affection of the lungs. At the conclusion of his examination in chief, the witness stated, "I saw him in September, 1839, but not professionally; he appeared much the same; he was in a weak condition, as if he had been living intemperately; his eyelids were red as before. I told him that I believed he had his mother's complaint, and told him to be particularly careful or he would die."

Mr. Sherwin, a surgeon also of Hull, stated that the appearance of the insured was emaciated and unhealthy; he appeared excited and forlorn, approaching delirium tremens; his appearance was scrofulous decidedly.

Mr. West, a surgeon at Hull, attended Mrs. Benson, (the mother of the insured,) for confirmed consumption, in January, 1840—attended the insured on the 1st of April, 1840: it was for consumption—told him he was in a delicate state of health, and that if he did not take great care of himself he would not be here long.

*The Judge.*—I shall leave it to the jury that this is fraudulent, because it is clear that the insured has been attended by two persons within the last year. Here is a representation, upon the basis of which the insurance is made, that he has never been attended by a medical man.

*Mr. Thesiger.*—Does your lordship think that is a question which arises upon this record?

*The Judge.*—I think it arises upon the 7th plea, because it alleges that the insurance was made by fraud and misrepresentation by himself and others. Now I think that the representation that he had never had a medical attendant is sufficient, because it is palpable if he had said that he had had this medical attendance, and the office had referred, it would have never

accepted the insurance. Independently of all the contradictory evidence, this is a point which puts an end to the whole cause—that is, if it is believed. Can any man say that is not a fraudulent thing towards the office?

*Mr. Thesiger.*—This plea, my lord, seems clearly to point to a case of conspiracy.

*The Judge.*—I put it thus, and I shall tell the jury so, and you can move as for a misdirection if I am wrong. But can you contradict the fact of his having consulted these two gentlemen?

*Mr. Thesiger.*—No, my lord.

*The Judge.*—Then I think it makes an end of the case.

*Mr. Thesiger.*—There was a case in which I was concerned, “Lord Geo. Lennox against the Atlas Company;” but there it was pleaded that the company had not been referred to the usual medical attendant.

*The Judge.*—I quite agree with that; but this plea is that by the fraud and covin “of himself and others.” I think the fraud and covin of himself sufficient; I say nothing about the others. He must have known that he had had a medical attendant: that is sufficient, and I shall so leave it to the jury.

*Mr. Thesiger.*—The question is, what is the meaning of the term “medical attendant?” The representation is that he never had a medical attendant; does it mean consulting a person, or seeing him on one occasion?

*The Judge.*—One of these persons attended him eight or ten days; but it is a question for the jury whether he had medical attendance or not. Certainly, if a person attends him and prescribes for him, he must be considered as a medical attendant. Would anybody, in the ordinary transactions of life, not feel that an office ought to have had that information? Can any human being doubt about such a thing as that?

*Mr. Thesiger.*—It is distinctly and entirely from the question urged here.

*The Judge.*—It is a representation, and a representation fraudulent only, if it be within his own knowledge: the difficulty does not arise in this case as it does in some others, because a man must know what happens to himself. It is not a fraudulent representation with respect to the plaintiffs, because they might not know it; it might not be a fraudulent representation on the part of any person who took it from the life insured, but it is a fraudulent representation, if made by himself. I will ask Mr. Justice Williams if he agrees with me on the construction of the plea.

His lordship retired for a short time. On his return he said, “I had no doubt before, and I am now confirmed by the opinion of my brother Williams. Discharge the jury from the other issues, and let them find a verdict on this:

*To the jury.*—“Gentlemen, you will find a verdict on the seventh issue, and you will be discharged from finding any verdict on the other issues; that is to say, you will find that the policy was effected by the fraud, covin and misrepresentation of Howes.”

Verdict accordingly.

#### BORRODAILE v. HUNTER AND OTHERS, *Common Pleas*, Dec. 1841.

This action was brought to recover the sum of 1000*l.* on a policy effected by the Reverend William Borrodaile on his own life, in the London Life Association.

The defence in this case was, that the insured died by his own hand, in contravention of the stipulation in the policy. It was contended also, on the part of the defendants, first, that there was nothing to show aberration of

intellect on the part of the insured; and secondly, if there were, the simple fact of the party dying by his own hand would vitiate the policy.

It was shown that, on Friday, the 16th day of February, 1838, the assured was seen to deposit his hat and cloak in one of the alcoves of Vauxhall Bridge; to cross to the Battersea side, and climb over the parapet; and, having gradually crept along to where the water was deepest, threw himself into the river and was drowned.

It was shown that the unfortunate gentleman, until within a short time of his death, was a man of remarkable energy and activity, cheerful in disposition, pious, exemplary in his dealings, and affable in his manner and address. Unfortunately he had become surety for one Foster, the tax collector of Wandsworth, who, in November, 1837, made default, and from that time the assured was observed to be an altered man. He appeared to labor under great depression; was subject to fits of absence; lost his appetite, and, apparently, in some degree, his memory; spoke little, and did not like to be left alone. He would stay up late at night, instead of going to bed about eleven, as was his usual custom; would observe he could not bear to go to bed; if he did, he could not sleep, and even if he did sleep it was still worse. He appeared to feel bitterly his embarrassment through Foster, and once observed to that person's wife, "Oh, Mrs. Foster, I am in such trouble, that I know not sometimes where I am going, or what I am doing."

This unhappy gentleman, as is common in cases of the kind, had a presentiment of what might happen, and therefore begged that his brother-in-law would accompany him to London, observing he did not know what he might do if left alone. He became remiss in the exercise of family prayer, in which he had been before most regular; and latterly he abstained from it altogether. He, however, continued to perform his other duties.

Being vicar of Wandsworth, he performed the duty at his parish church on the Sunday preceding his death; he read the service on the Wednesday following, and on the Thursday attended a Board of Guardians of the Clapham Union, where he remained from eleven until four, and in the evening attended a reading society of which he was a member.

On the Friday (16th) he appeared more cheerful than ordinary, and rallied his brother-in-law, who was a few minutes behind the breakfast-hour, upon his sluggishness, saying, he hoped his early rising would not do him harm. Mr. Barrodaile ordered the servant to prepare his clothes for travelling on the next day to Worthing, where his wife and children were staying, and desired her, (the servant,) to get a steak for dinner at six o'clock. He then went out, telling his brother-in-law he was going to the Union, and thence to London, where he should call on his brother, but he never returned.

We have been somewhat particular in the details of this melancholy case, feeling persuaded it is one of the utmost importance to assurance offices generally: it is, indeed, without precedent. Mr. Kinnear's case is similar only as regards the plea; but there *the fact* was disputed, and very far from satisfactorily proved. In this case, however, there could be no dispute on the facts, but the question resolved itself into a dry point of law on the finding of the jury, whether a party who dies by his own hand, unconscious of right and wrong, thereby avoids the policy. The question is a most material one, and the decision is looked to with the utmost anxiety.

The counsel for the defendants did not call witnesses.

Mr. Justice Erskine told the jury that in his opinion the true construction of the policy was, that, where the assured intended to destroy himself, and had at the time a sufficient mind to take his own life, the case would be brought within the condition of the policy. His lordship referred to the

various circumstances of this extraordinary and important case, and concluded with observing, "There could be no doubt that the assured throwing himself into the water was his own voluntary act, but whether he had the will to destroy himself, knowing what the consequences of his throwing himself into the water would be, was a question which he must leave to them to decide upon the evidence."

The jury found that Mr. Borrodaile threw himself into the water intending to destroy himself, adding that, previous to that time, there was no evidence of insanity.

The learned judge then told the jury they must take the act itself into consideration, in connection with Mr. Borrodaile's previous conduct, and then say whether they thought at the time he was capable of knowing right from wrong.

The jury retired, and on their return stated, "That Mr. Borrodaile threw himself from the bridge with the intention of destroying himself, but that he was not capable of judging between right and wrong."

The verdict was then entered for the defendants, with leave to move to enter it for the plaintiff.

On the 30th of January, 1842, Sir Thomas Wilde moved, pursuant to leave given, to enter the verdict for the plaintiffs, contending that the verdict was in fact a finding that Mr. Borrodaile was *non compos mentis*, and argued that the condition in the policy, by which it was provided that the policy should be void in the event of the party dying by his own hand, must be construed to mean "in the event of the party's becoming *felo de se*."

The court granted a rule to show cause.

On the 6th of June, Mr. Serjeant Channel contended that the finding of the jury was, that Mr. Borrodaile threw himself from the bridge intending to destroy life, and knowing that the act would destroy life; therefore, *if the assured by his own agency produced death, the policy was void*, and the verdict ought to remain with the defendants.

Sir Thomas Wilde observed that the other side found it necessary to admit that it was not simply the act of death by the party's own hand which would avoid the policy, but death which was intentionally produced. That discussion would have the effect of preventing the issuing of future policies in the equivocal language at present employed; the office might add to the condition vacating the policy in the event of a party's dying by his own hand, the words "whether sane or insane," and then individuals might enter into a contract with them if they thought proper. The learned serjeant, after a lengthened argument, insisted "that the legal result of the verdict excluded intention in any sense which could make the policy void, and it was submitted on those grounds the verdict must be entered for the plaintiff."

*Lord Chief Justice Tindal*.—"I understand the argument for the plaintiff to proceed on the ground that the second finding of the jury was equivalent to a verdict of *non compos mentis*."

*Sir T. Wilde*.—"Yes, certainly, my lord."

*Mr. Justice Coltman*.—"Suppose a man in a state of insanity had gone to America, what would you have said in that case?"

*Sir T. Wilde*.—"That would be a much more difficult case than the present. The policy contains an unambiguous clause that the assured shall not go beyond the limits of Europe; but here the expression is equivocal."

*Lord Chief Justice Tindal*.—"We will take time to consider this."

COOK v. BLACK, *Chancery*, February 10, 1842. *V. C. Wigram.*

The Britannia Life Assurance Company have certain conditions endorsed on their policies to the following effect: "If the person assured commit suicide, and the policy shall have been assigned to any person having a *bona fide* interest in his life to the extent of the sum assured, the full amount thereof will be paid to the party or parties so interested. If the amount of interest be less than the sum assured, the party or parties will be indemnified to the full extent of such interest."

The plaintiff, Cook, was a creditor of J. C. Boutall, and, in order to secure what was owing to him, the plaintiff, in the month of May, 1838, effected an insurance on Boutall's life for £700, and one premium on the policy was paid.

On the 20th of July, 1838, Boutall wrote to the plaintiff in these words: "I will leave in your hands a policy of assurance for £700, effected by you for me in the Britannia Life Assurance Company, numbered 663, as a collateral security for payment of £260, due from me to you, and also for any other sum that may at any time become due to you on bills of exchange or otherwise, and I will assign the same to you when required so to do.

J. C. BOUTALL."

In February, 1839, Boutall committed suicide, and the plaintiff thereupon claimed payment from the Britannia Office of the sum due to him from Boutall at the time of his death, as secured by the deposit of the policy. This the Assurance Company refused to pay, on the ground that no notice had been given to them of the deposit and agreement to assign.

The bill was filed to have an account taken of the sum due to the plaintiff in respect of the above transactions, and to enforce payment against the insurance company.

Sutton, Sharpe, and Shapter, for the plaintiff, cited *How v. Dawson*, 1 Ves. Sen., 331; *Edwards v. Scott*, 1 Mann. and Graing., 962; *Ex parte Smith*, 5 Jur., 874.

Lloyd and Bacon for the defendants.

*Wigram, V. C.*—"I think it is due to the company to say that they were perfectly justified in putting the party to strict proof of his claim. The first question would be, how the case would have stood between the holder of the policy and Boutall himself. The effect of the transaction was to give the plaintiff in this court a right to enforce payment of his demand out of what was due upon the policy. How would the case have been if Boutall's estate had been entitled to the money in case of his natural death. It is quite clear, as between the assurer and assured, the plaintiff would be entitled to be paid out of what was coming to the estate of Boutall. Whether the right accrued by a deposit of the policy or a formal assignment can make no difference. The effect of the transaction, in equity, is to give him all that an assignment would give him, and the letter does, in fact, assign the benefit of it. This is not a question of mere form, but a proposition of substance. In a transaction between the assured and the person lending money to him, where the assured gives the party a right to take payment of the money out of the policy, it is, in truth, an assignment. That being clear, the question is, whether there has been such an assignment as the third condition requires. If I put that meaning upon it, the whole transaction is rational. The meaning of the condition is, that the assured should have the power of negotiating the policy, so that any person advancing money upon it should have a security, notwithstanding the assured should commit suicide; and so it was more valuable as a negotiable



security: so that if there had been any such dealing between the assured and another party, which would constitute that party an assignee of the policy, he should have the full benefit of it. Upon that interpretation the condition is intelligible; strictly, there can be no legal assignment of a policy; but it was said that the office meant to stipulate for a particular form of assignment; the words, however, of the conditions are general, "if the person assured shall assign;" therefore, I must construe the terms as I construe the words of the letter, that they will pay the amount of the policy to a third person, who has *bona fide* advanced his money. It was properly admitted at the bar that notice to the office was not of the essence of the assignment, but that the absence of notice was evidence of *mala fides*: but there is sufficient evidence in the case to justify me in holding that the plaintiff is entitled to be paid his debt out of the policy. The defendants, however, are entitled to an inquiry whether the plaintiff has any other securities by means of which he could obtain payment."

The last cases we shall notice elicit a fraud of a different description.

An action was tried at Kingston, in April, 1841, against an individual named Williams, forming one of the "Independent West Middlesex Assurance Company," whose disgraceful frauds are, perhaps, unparalleled in the annals of our jurisprudence.

It was stated that this action was brought to recover back a large sum of money of which the plaintiff had been defrauded by means of the specious artifices and contrivances of the pretended company with which the defendant was connected. It would be proved that the defendant had a share in the production and carrying on of this scheme, and that the whole was a fraud on the public. Persons were hired, at small sums per day, to sign policies as directors; they were dressed and jewelled for the purpose; and fines were inflicted on such of the *directors* in particular as omitted to *wear their rings*. By these means the public were plundered to a great extent.

A verdict was given for the plaintiff, and immediate execution granted.

In the following year (1842) several actions were brought against Hole, another participator, and, in fact, the originator of the plan, and the principal gainer by the plunder, of which, it is clear, he appropriated to himself the lion's share. These cases are so curious that we have given one of them fully.

#### NAPIER v. HOLE, Kingston, April 1, 1842.

An action against the defendant, as the originator and principal in the establishment of a pretended company, calling themselves "The West Middlesex Insurance Association," to recover the sum of £900, paid to that pretended company by the plaintiff, a lady for an annuity of 76l. 10s. of which sum of 900l. it was alleged that the plaintiff had been defrauded, and that the pretended company had been got up for the purposes of fraud.

Mr. Platt and Mr. Gurney were for the plaintiff; Mr. Chambers for the defendant.

Mr. Platt, in opening, observed that the defendant had set on foot, in 1836, an establishment, which he called "The West Middlesex Insurance Association," whence the public, it was stated, were to derive great advantages. Prospectuses of an alluring description were circulated, and in the course of a short time, sums to a very considerable amount were deposited for the purchase of annuities. The capital of the company was said to be 1,000,000l., which had been raised by sale of 20,000 shares, at 50l.

each; and the names of fifteen persons, all bearing the title of "esquire," were duly advertised; and it was added that the bankers of the company were the Bank of England, the Bank of Ireland, and the Western Bank of Scotland. For about four years the concern appeared to go on prosperously, but at the commencement of the year 1841 the bubble burst, and it was then ascertained a fraudulent scheme, set on foot to entrap the unwary, and plunder them of their property. Of the fifteen directors, it would be shown that ten or twelve names were wholly fictitious, and that the others were persons in humble life; that not only was there no capital, but that none of the shares alleged to have been taken were ever paid for; and it was clear, said the learned counsel, that the defendant, in originating this pretended company, knew that it could not be successful; but that he embarked in it for the purpose of plundering the unwary, and applying to his own use the money invested with the alleged company.

Henry Harvey was clerk in the office of the West Middlesex Insurance Association from October, 1837, to its close in January, 1841. The offices were in Baker street, Portman square. The prospectuses produced were issued from the office. They contain the names of fifteen directors; amongst them is Mr. H. Alexander; never saw any one of that name at the office: never saw more than three or four of the persons named as directors. The book containing an account of the annuities granted was kept by the witness; it contained an account of the moneys received. The defendant received the money; he always received the money paid for annuities. The defendant was secretary and treasurer from the commencement until September, 1839: he stated to witness, in October in that year, that he had resigned. He attended the board and signed policies: the board met on a Friday. The defendant acted as manager, and always gave instructions to witness. When the establishment was broken up a great many persons applied for money.

W. Wilson.—I was one of the directors. I kept a school in the Edgeware-road, and solicited employment as a clerk in the office. The defendant said I should be in the office, and placed my name in the list of directors. I was to receive 5s. per week, and to attend only once a week, on board days, to sign policies: I used to sign all the annuity-deeds and policies that were laid before me. A number of shares were allotted to me when I became a director, but I did not pay any thing for them. The company had not any capital that I am aware of. I continued to act as director until the breaking up of the concern. The defendant was secretary and manager nearly the whole of the time. Amongst the names of the directors are H. Alexander, esq., — Bedford, esq., R. Ayre, esq., — Hope, esq., and — Fergusson, esq. I do not know any such persons; never saw them at the board or at any of the meetings. There are also the names W. Wilson, esq., and T. P. Price, esq.: I am the person first alluded to, and T. P. Price is a youth of 16 years of age, who was employed in the office as errand-boy; a certain number of shares was allotted to each. The defendant always paid me my salary; he paid all other persons employed in the concern. I was to have 5s. per week for the first year, and 10s. afterwards. After being a director two years, I was promoted to the situation of clerk, at 75l. per year; but still retained my seat at the board. For my last year's services I received 300l. I received the letter produced from the defendant: it is in his handwriting:—

"Sir,—During the time of my secretaryship the following sums were paid by me:—Knowles, 4040l.; Mr. Williams, 4038l. 5s.; ditto, as solicitor, for office business, 1857l. 4s.; Mr. Hole, 7357l.; ditto, on retiring, 10,000l., in manner following:—Houses in Gloucester-place, Surrey-street,

and Maida-hill, to Hole the freeholds, 8900*l.*, total to Hole, 26,257*l.* I have the checks to prove the sums I paid to Knowles and Williams; therefore, whoever said I had more than this is a liar like unto Peter, who denied his master and afterwards went and wept; or like unto Judas, who betrayed his master, and went afterwards and hanged himself. All that I have said or written I can prove. Yours, &c.

W. HOLE.

"April 23, 1840."

Cross-examined.—I keep a small school now in the neighborhood of Hoxton. I gave up my school when I went to the Insurance Company as clerk. I received altogether about 700*l.* during the four years I was in the concern. I assured my life for 100*l.* in the office. The office was finally closed in January, 1841. Did not think I was doing any thing wrong when I went to the board. I thought the directors were all honorable men. I was not startled at the large liabilities I signed my name to, as I was assured by the defendant that there were plenty of funds in the establishment. Certainly did not consider there was any thing wrong when I saw myself described as a director with "esquire" attached to my name. The defendant is my brother-in-law. I placed every reliance on what he said. All annuities were paid up to the quarter previous to the dissolution of the company.

• Re-examined.—I insured my life in the concern for 100*l.*, and allowed discount for present payment, and I received 93*l.* I got the money immediately after I insured. The defendant gave me the amount.

Three checks for 500*l.* each were then put in: they were signed "William Hole," and made payable to Mr. Williams. One check was on the Bank of England, and the others on the Western Bank of Scotland.

By Mr. Baron Gurney.—The concern was broken up for want of funds. I do not know if there were any assets when it was dissolved.

William Edward Taylor.—I was one of the directors. Was appointed when the association was first established. Previous to that period I was a journeyman locksmith and bell-hanger, and was in the employ of a Mr. Greathead. The defendant married my wife's sister. I was applied to by the defendant and Knowles to become a director. Was in the habit of attending the board on Fridays. I received 2*s.* 6*d.* for each attendance, for a year and a half. I afterwards received a salary of 80*l.* per annum, though I only attended as a director to sign my name to policies. Knowles was chairman of the directors. I was desired by the defendant to sign my name. I signed all documents laid before me. It was at first arranged that I should sign for three years, as Mr. Williams was then to take my place; but at the expiration of that time the defendant said I might as well continue to sign, as it was all the same.

Mr. Platt.—Did you receive any directions with respect to your dress and appearance?

Witness.—Oh, yes: we were to dress well, and were ordered to wear rings and jewelry.

Mr. Platt.—Did you do so?

Witness.—Yes. The defendant gave us rings to wear.

A paper in the defendant's handwriting was here read, upon which was a memorandum dated September 13, 1839, to the following effect: "Taylor fined for not wearing his ring." The witness said they had been often fined for a similar offence.

Cross examined.—Many fines were levied and exacted. Was ordered by the defendant to sign the documents.

Mr. Baron Gurney.—The witness and his colleagues appeared to be the "directed," instead of the "directors."

Joseph Packer.—I am a law-stationer. Was employed to engross the

deed of the company, which was dated 26th of September, 1837. I saw the first nine names of the list of shareholders signed on that day. I was afterwards desired to obtain other signatures. I did so during the vacation in 1840. I applied to persons indiscriminately to put their signatures to it, and it remained at my office for that purpose. I was employed by Knowles and Williams. I recollect being at the company's office one morning when the defendant and his wife were there. The post had just been delivered, and I saw the defendant take some bank notes from the letters he opened. He made some observation to his wife: I believe it was "look here." He then put the notes in his pocket and went away with his wife. Whenever I got any persons to sign the deed a number of shares was placed opposite their names.

Cross-examined.—Knowles married my wife's sister. Knowles employed me to engross the deed.

The deed was then read, by which it appeared the defendant was appointed secretary and *ex officio* a director for life. It also stated that besides his salary he was to be allowed 70 shares; and his wife, as a provision for her, and for her absolute use, was to be allowed 700 shares.

Another letter of the defendant's was also read:—

France, Jan. 9, 1841.

"Knowles—Thou art a scoundrel, and thy son no better. I shall print and publish all the by-laws and proceedings which relate to any transactions which I had with the company, and expose your villany to Mackenzie and others; and I give you and your lying rascal of a brother notice, that, if you or he should dare to publish any slander relative to my character, I shall instruct my solicitor to prosecute you, you d——d perjured scoundrel!—you base wretch!—swear against your own handwriting!—what! swear you never borrowed any money of me for the office!—Oh, wicked wretch! I have your signature, and my solicitor has seen it. Base, base, base! hang thyself, with your friend Williams.—Truth."

"WILLIAM HOLE."

"P. S. I have heard you have again plundered the office—Oh, how many times, wretch!"

*Mr. Chambers* for the defendant, in a long address to the jury—while he admitted that the defendant was the originator of the company—contended that a verdict ought not, therefore, to pass against him, because, as the learned counsel insisted, the defendant had made an erroneous calculation, but had not committed any fraud. The learned gentleman then made an allusion to a highly respectable office which had derived its existence from the exertions of one individual, the late Mr. Barber Beaumont, and observed, that, if Mr. Hole's speculation had happened to prove equally successful, no blame would have been attached to him; and it was too much to say that the defendant should be visited with punishment, merely because his undertaking had not been successful.

*Baron Gurney*.—The plaintiff seeks to recover from the defendant a sum of money of which he had, as was alleged, deprived her by fraud. If you believe the money was obtained by fraud by the defendant, or by others acting in conspiracy with him, the plaintiff is entitled to your verdict. You will look at all the circumstances of the case, and on those circumstances it will be for you to decide whether or not fraud has been proved. It appears this association was established in 1836, that it professed to have a capital of 1,000,000*l.*, that names were put to the prospectuses issued to the public, describing persons as "esquires," some of whom were not in existence, and others were persons of low station, who were paid small sums weekly for

signing their names. It also appeared that the defendant was the original promoter of the speculation, and had the management of it. The question for you is, whether this was a *bona fide* company or not—whether it was established for the purposes of an ordinary insurance association—or whether it was a scheme by unprincipled persons to get possession of the money of all those whom their prospectuses induced to invest with them, and then apply it to their own use. In the former case you find for the defendant; but if you think that the fraud suggested has been proved, you will return a verdict for the plaintiff.

The jury immediately found for the plaintiff, damages 900*l*.

#### STANLEY v. HOLE.

A similar action against the same defendant, and on the application of his counsel the jury were changed. Similar evidence was given.

The jury found for the plaintiff, damages 143*l*.

In the following actions, which were all against the same defendant, at the suit of different plaintiffs, and in each of which like evidence was given, the following verdicts were returned:—

|                        |   |   |   |   |         |         |
|------------------------|---|---|---|---|---------|---------|
| Hopkins v. Hole,       | . | . | . | . | damages | £ 2,500 |
| Norris v. Hole,        | . | . | . | . | "       | 144     |
| White v. Hole,         | . | . | . | : | "       | 174     |
| M. Jones v. Hole,      | . | . | . | . | "       | 67 10   |
| Letitia Jones v. Hole, | . | . | . | . | "       | 199     |
| Holmes v. Hole,        | . | . | . | . | "       | 197     |
| Barnett v. Hole,       | . | . | . | . | "       | 496     |
| Howard v. Hole,        | . | . | . | . | "       | 96      |
| Scougall v. Hole,      | . | . | . | . | "       | 163     |
| Bean v. Hole,          | . | . | . | . | "       | 400     |

Mr. Platt applied for immediate execution in all the causes.

Mr. Baron Gurney.—You are entitled to it.

It has been our object, in making the foregoing selection of cases, to lay before our readers those most worthy of attention. Our difficulty has arisen not through lack of materials, but from the necessity of selecting from an immense mass of reports (all in themselves important) those cases most deserving of notice, either from the extraordinary facts attending them, or as carrying out some novel principle—forming, as we conceive, a useful reference, and at the same time giving some insight into the law now recognised as affecting assurances on lives.

It will be seen, on referring to our selection, that in effecting assurances on lives (we speak at present of parties insuring the lives of others) two important points must on no account be allowed to escape attention—that is to say, the interest of the party effecting the assurance in the life assured, and the statements made to the office by such party or his agents.

The interest must be *bona fide* and *pecuniary*; no other will suffice: mere relationship is not enough, though it is no bar to an assurance, provided the other requisites are complied with. Thus, a man may insure the life of his wife having an income for life only, or being entitled to a reversion contingent on the death of another party; for it is obvious that the husband in either case must sustain a pecuniary loss from the death of his wife. This liability to pecuniary loss is, indeed, the test of interest: a man may assure

the life of his debtor, as, generally speaking, the debt would be, in some degree at least, put in jeopardy on the decease of the debtor. The observation holds good in general; but in cases where ample security is also given, it is not easy to understand how the creditor can sustain pecuniary loss: however, as the courts of law recognise the principle, it is useless to carry the speculation further.

The interest must be continuing down to the time when the amount is to be paid by the office: Mr. Pitt's case shows this to be so; but it is nevertheless the practice of many offices to pay without making inquiry as to the continuance of the interest, being satisfied if originally an interest were shown.

The interest must be also *legal*. A debt partly made up of money won by gaming will not constitute an available interest, though a security given by a minor will, if the minor do not impeach it; the distinction is this: that in the first case the security is void from the beginning as against all the world; but in the second it is voidable by the minor alone; and therefore, if he do not think fit to interfere, no other person can raise the objection.

With regard to the statements of the parties, it is to be borne in mind that, for the purposes of the policy, the life is the agent of the party effecting the assurance; so that whatever is done or said by the party whose life is assured will be binding on the one effecting the assurance. No fact of importance should be concealed from the office; much less should any misrepresentation be made: in either case the policy would be avoided; and it must be always a matter of anxiety and doubt, if any fact be concealed, whether a jury will pronounce it material or not. It is obvious that a man cannot be said to conceal that which he does not know; but it is equally clear that a man may make an untrue statement from ignorance merely, though it will not be the less untrue because the party making it did not know it to be so.

In cases where parties assure their own lives the strictest adherence to the truth is absolutely necessary: nor ought anything material to be concealed; for if a man is compelled to suffer loss from the concealment or misrepresentation of his agent, it is certain he ought to suffer where the statements made are his own.

The object of instituting offices to grant assurances on lives was of the most praiseworthy and benevolent kind. These institutions were, however, grossly abused: men speculated upon others' lives in which they had not the slightest interest, and effected assurances upon all sorts of events. To remedy such an evil the wholesome statute of 14 Geo. III was passed, and the result is, that now a man cannot make a wager with an assurance office on the duration of life, but must have a *bona fide pecuniary* interest in the life assured. It was a mistake to suppose that a party seeking to assure thereby undertook a risk; the risk was undertaken before, and the effect of the policy was to guard against that risk.

Complaints have been made, and sometimes perhaps justly, that assurance offices too often contest the validity of their policies. It may be so; but when we look back to the cases here thrown together, and notice the vast number of frauds effected and attempted against the offices, we do not wonder at the extent of litigation on life assurances. The wonder is, there are not more litigated cases.

To quote Serjeant Marshall: "considering," says the learned gentleman, "the great multiplicity of assurances which have of late years been made upon lives, the number of litigated cases which has arisen upon them is extremely small. One principal reason is, that the happening of the event

assured against is always a fact of easy proof, which can scarcely ever afford any subject of dispute. Another is the great difficulty of practising any fraud on such assurances. But to no cause is this fortunate circumstance more to be ascribed than to the honor, integrity, and liberality of the several companies engaged in that branch of assurance."—*Jones on Annuities.*

"Ce qui est d'une utilité durable, c'est de montrer aux autres ce qu'il faut faire pour n'avoir pas besoin de secours, pour devenir indépendant et se procurer quelque aisance.

"L'ordre, la prévoyance, l'économie, voilà ce qu'il faut enseigner ; il faut que l'on sache que les petits épargnes, souvent renouvelées, produisent à la longue des sommes importantes."

BENJAMIN DELESSERT.

## BANKING SYSTEM OF NEW YORK.

### ACTS OF ASSEMBLY RELATING TO BANKS, 1848.

*Incorporated Bank Department, Comptroller's Office, }  
Albany, April 24, 1848. }*

By the first section of the act hereto annexed, the incorporated bank of this State, are entitled to issue the following amount of circulating notes, to wit:

|                                                                              |  |
|------------------------------------------------------------------------------|--|
| Those having capitals to the amount of \$100,000, a circulation of \$150,000 |  |
| " " " 120,000, " 160,000                                                     |  |
| " " " 150,000, " 175,000                                                     |  |
| " " " 200,000, " 200,000                                                     |  |

And all those having a capital of more than \$200,000, are allowed to issue to the amount of their capital. This it will be perceived allows no increase to any bank having a capital of \$200,000, or less, beyond what was allowed by the act of May 16, 1837 ; but all banks having a capital of more than \$200,000, may have an increased circulation beyond that allowed by the act of 1837, on giving the security required by this act.

#### *Amount of New Issues.*

The amount of new issues authorized by this act, is the difference between that authorized by the act of 1837, and the capital of each bank. In order to determine this, it is necessary to know the amount authorized by the act of 1837, and deduct that from the capital of the bank, and the remainder shows the amount of new issues to which the bank is entitled.

|                                                                            |  |
|----------------------------------------------------------------------------|--|
| By act of 1837, banks having a capital of \$250,000, could issue \$225,000 |  |
| " " " 300 000, " 250,000                                                   |  |
| " " " 400,000, " 300,000                                                   |  |
| " " " 500,000, " 350,000                                                   |  |
| " " " 600,000, " 450,000                                                   |  |
| " " " 700,000, " 500,000                                                   |  |
| " " " 1,000,000, " 800,000                                                 |  |
| " " " 1,490,000, " 1,000,000                                               |  |
| " " " 2,000,000, " 1,200,000                                               |  |

From the foregoing statement, each bank will readily determine for itself, the amount of new issues to which it is entitled.

*Security for New Issues.*

The 4th section of the act, directs the comptroller to require ample security for the redemption of these new issues, in specie, in accordance with the 8th article, 6th section of the constitution. This is very indefinite, and on referring to the section of the constitution indicated, I find that equally so; it is in these words, "the legislature shall provide by law, for the registry of all bills or notes issued or put in circulation as money, and shall require ample security for the redemption of the same in specie." Of what this "ample security" shall consist, it is nowhere expressed, and the whole seems to be left to the discretion of the comptroller. Under these circumstances, I feel bound to inquire what the legislature has in other cases deemed *ample security*, for issuing notes to circulate as money. Taking their last acts as my surest guide, I find they require an equal amount of stocks of this state, either a six per cent., or made equal to a six per cent. stock, or at least one-half of such stock, and the remainder in bonds and mortgages, bearing an interest of seven per cent. on improved and unencumbered real estate, and that the mortgage shall not be for more than two-fifths of value of the land mortgaged, exclusive of buildings thereon, and no one mortgage for a larger amount than five thousand dollars. I therefore adopt this as the security which I will take under the annexed act, and the stock or bonds and mortgage, may be assigned to the comptroller, in trust for the payment of such issues, in the same manner they are now assigned under the general banking law.

One objection to this security deserves consideration, and it presents a question which each bank will decide for itself. Most, if not all the charters of the safety fund banks, contain a section substantially, as follows:

"The said corporation shall not directly or indirectly, *deal or trade in buying or selling* any goods, wares, merchandise, or commodities whatsoever, or in *buying or selling any stock created under any act of the United States, or any particular State*, unless in selling the same when truly pledged by way of security, for debts due to the said corporation."

Does this clause prevent the bank from buying the stocks of this State in good faith, with a view to deposit them as security for the payment of notes to be issued under the act of 1848?

I think not. The object of the statute doubtless was to prevent banks from hazarding their capital by engaging in trade of any kind, and especially in stock jobbing, to which they are often strongly tempted, and from which disastrous consequences often follow. But it certainly could not have been intended to prevent them from a purchase of stocks, with the sole view of giving greater security to their issues, and even if it did, the act of 1848, which requires it, must be deemed to have so far modified their original charters, as to justify it.

But it may be said, that this power to purchase for one object, may be abused by purchasing for another. Should it be, then there would be no doubt of the liability of the bank for a violation of its charter. The view with which the purchase was made, would always determine whether it was legal or illegal, and this would be determined by a jury from all the attendant circumstances.

*Mode of Issues.*

The act authorizes a new issue beyond the amount before allowed, and requires security for the redemption of *the same* in specie. In case of a failure, it will be impossible to apply the avails of the security to the redemption of the new issues, unless such issue be distinguished by some



mark from the ordinary issues of the bank. It therefore seems to me proper to have them thus distinguished.

This may be done in one of two ways :

*First*, by having a die prepared, similar to that now used in the free bank department, with appropriate devices, which should be impressed upon such plates of the bank, as the bank should desire to employ in taking impressions for these extra notes, or

*Secondly*, by having a single plate prepared by the comptroller, with appropriate devices, and then have the bills printed with the ordinary plate of the bank, and with black ink, and then printed again with this new plate with red ink, which is said to be as indelible as the black. This, it strikes me, after consultation with the engravers, is the most feasible mode; it will save the blank plates now in use, from mutilation, and will upon the whole be least expensive, and effectually secure the desired object. Two plates will be prepared, one indicating that the security is stocks alone, and the other that it is stocks, bonds and mortgages, and it will be necessary that the bank should indicate before the printing is done what the security will be, as it will not be convenient to change it afterwards.

For the purpose of preventing the banks from impairing their capital to obtain these extra issues, every bank applying for them, will be required to make satisfactory proof that no part of the capital of such bank has been used or pledged, directly or indirectly, in purchasing or procuring the securities to be deposited with the comptroller for such extra issues.

By the terms of the transfer of such securities to the comptroller, he will be authorized to dispose of them, and apply the proceeds to redeem the notes issued thereon, in the same manner that he would do under the general banking law, in case of a failure by the bank to redeem.

MILLARD FILLMORE, *Comptroller*.

#### AN ACT

To regulate the issues of the Safety Fund Banks, and for other purposes. Passed April 12th, 1848.

*The People of the State of New York, represented in Senate and Assembly, do enact as follows :*

**SECTION 1.** The several safety fund banks in this state incorporated by special act, having capital up to and including two hundred thousand dollars, shall continue to issue and have in circulation notes or bills duly registered, as required by law, to the amount now allowed by the act of May, 1837, regulating the issues of safety fund banks and these banks having capitals over two hundred thousand dollars, shall be allowed to issue and have in circulation notes or bills to the amount of their respective capitals, and no other or greater amount. But in all cases where a bank has a branch located at another place, that portion of the whole capital actually employed at each place of business, shall be taken and deemed the capital thereof under the provisions of this section.

§ 2. It shall be the duty of the comptroller at all times to cause to be printed from the plates in his custody, and deliver to each of said banks, such notes and of denominations allowed by law, as the bank owning such plates may require, not exceeding, together with outstanding old circulation and with the notes previously received, the amount of circulation allowed to such banks by the first section of this act; and said notes before being delivered to said banks, shall be countersigned and registered in the manner specified in the second section of the "act to abolish the office of bank commissioner, and for other purposes," passed April 18, 1843; and the expenses of pre-

paring, countersigning and registering said notes, shall be paid to the comptroller by the banks receiving the same, in proportion to the number of notes received.

§ 3. All acts and parts of acts heretofore passed, so far as the same are inconsistent with the provisions of this act are hereby repealed.

§ 4. It shall be the duty of the comptroller to require in addition to the contributions now made to the safety fund of all banks asking for, and receiving any bills or notes under and by the provisions of this act, beyond what they are authorised to issue by the act of eighteen hundred and thirty-seven, ample security for the redemption of the same in specie, in accordance with article eight, section six of the constitution of this state.

§ 5. This act shall take effect immediately on its passage.

AN ACT

Amendatory of the act entitled "An act authorising the business of banking," passed April 18, 1838, and the acts amending the same, passed April 12, 1848.

*The People of the State of New York, represented in Senate and Assembly, do enact as follows:*

SECTION 1. All banking associations, or individual bankers, organised under the provisions of the act passed April 18th, 1838, entitled "An act authorising the business of banking," and the several acts subsequently passed amendatory thereof, or which shall hereafter be organised, shall be banks of discount and deposit as well as of circulation, and the usual business of banking of said associations, or individual banker, shall be transacted at the place where such banking association, or individual banker shall be located, agreeable to the location specified in the certificate directed to be made by the second clause of the sixteenth section of the act passed April 18th, 1838, herein before mentioned and not elsewhere, and every report directed to be made by any law of this state from such association or individual banker, shall be verified by the oath of the president and cashier of such association, or such individual banker, that the business of said association, or banker, has been transacted at such location. But nothing in this section shall be deemed to repeal or modify the provisions of the act passed May 4th, 1840, entitled "An act for the redemption of bank notes," as the same is applicable to all the banks, banking associations, or individual bankers of the state.

§ 2. The security which banking associations, or individual bankers, hereafter to be organised under the provisions of the above recited act, passed April 18th, 1838, and the amendments thereto, shall deposit with the comptroller as security for the redemption of circulating notes issued to them by the said comptroller, shall be New York State Stocks, in all cases to be or to be made to be equal to a stock producing six per cent. per annum, and it shall not be lawful for the comptroller to take such stocks at a rate above its par value or above its current market value: or the securities shall not be less than one-half in such stock and one-half in bonds and mortgages upon improved, productive, unencumbered lands in this state, exclusive of any buildings thereon, said mortgages bearing an interest of not less than seven per cent. per annum, and to an amount not exceeding two-fifths the value of said lands.

§ 3. No mortgage hereafter to be deposited as security as aforesaid, shall be for a greater amount than five thousand dollars each.

§ 4. The provisions of the first section of this act shall apply to the banking associations, and individual bankers now organised as aforesaid, on and after the first day of June, eighteen hundred and forty-eight.

*Comptroller's Office, Albany, May 2, 1848.*

Twenty days having elapsed since the passage of the act hereto annexed, it is now operative as a law, and all banks and individual bankers under

the general banking law, are bound to conform to its provisions. It will be seen that the first and fourth sections of the act, will, after the first day of June next, operate upon banks and individual bankers now doing business under the general banking law, and that every such bank is to be, and every such banker is to keep a bank of discount and deposit, as well as of circulation and its usual business of banking is required to be transacted at the place where such banking association or individual banker shall be located, as specified in the certificate required by the second clause of the 16th section of the act of 1838. That certificate is required only of associations and not of individual bankers, and the second clause of the act declares, that "the place where the operations of discount and deposit of such associations are to be carried on, designating the particular city, town, or village," shall be specified in the certificate. In the case of an individual banker, his place of residence is the place where his banking business must be done.

A practice had grown up under the general banking law, of establishing banks in obscure places, in remote parts of the state where little or no business was done, with a view of obtaining a circulation merely, and doing no other business. This circulation was then redeemed in New York or Albany by the agents of the bank, at one-half of one per cent. discount, and again put in circulation without being returned to the bank, thereby enabling the bank to redeem its own paper at a discount, and then again put in circulation in the same place where it was redeemed. The object of the present law appears to be to break up that practice, and to ensure obedience to its requirements, the legislature have enacted that the president and cashier shall in every report made to this office, state that their business has been transacted at the place required by that act, and that such report shall be verified by their oaths. A strict compliance with this rule will hereafter be exacted from every bank and individual banker subject to its provisions.

The second section of the act relates only to such bankers as shall commence business, or such associations as shall be formed hereafter. It makes some important changes. These will be better understood by a short review of the several enactments. By the 2d section of the act of 1838, the comptroller was authorized to receive the stocks of this state, or of the United States, or of any other state in the Union; but after several of these states repudiated, and their stock generally fell below par, it was thought prudent to exclude them; and in 1840, an act was passed (ch. 363, § 1,) restricting the comptroller to such public stocks as was issued by this state, which should be equal to a stock of this state producing an annual interest of five per cent. But it was expressly declared by the second section of that act, that it should not be construed to prevent the stocks then held by the comptroller, from being thereafter transferred to and received by him at their market value, in the same manner as though that act had not been passed. Thereby still authorizing the comptroller to receive the stock of any other state or of the United States, in deposit for banking purposes, if such stocks were held by him when that act passed. This might have done to prevent the depreciation of such stocks in the market, which would greatly have impaired the security of many of the banks; but the legislature has now changed that rule, and they are no longer receivable under any circumstances; this, however, will not impair the validity of those now held, but only prevent their being taken hereafter for any new bank.

The material changes therefore effected by this act, which apply exclusively to banks hereafter to be formed, are,

*First*, that no other stock than that of the State of New York, can be deposited with the comptroller, as security for bank issues.

*Second.* Heretofore such stock was only required to be equal to a five per cent. stock, hereafter it must be made equal to a six per cent. stock; if it be not a six per cent. stock, its comparative value will be ascertained by the stock tables prepared by Joseph M. Price.

*Third.* No stock can be taken above its par value, nor above its market value.

*Fourth.* Bonds and mortgages may be taken as heretofore, for an amount not exceeding one-half of the deposit, but heretofore the amount secured by the mortgage was not to exceed one-half of the appraised value of the land mortgaged, hereafter it must not exceed two-fifths of that value.

*Fifth.* Heretofore there was no limitation to the amount of each mortgage, and the consequence was that mortgages were sometimes taken of so large an amount that it prevented fair competition in the sale of them. This evil is now remedied by the third section of the act which limits the amount of each mortgage to a sum not exceeding \$5,000.

These changes will be strictly adhered to by this department in the formation of all new banks.

MILLARD FILLMORE, *Comptroller.*

## COATES & CO'S AFFAIRS.

Court of Bankruptcy, Basinghall street, March 25. (Before Mr. Commissioner Fane.)

### *In the Bankruptcy of Coates & Hillard.*

The bankrupts, Ezra Jenks Coates and John Hillard, who were American merchants in Broad street, and had branch establishments in Manchester, Leicester, Liverpool, Nottingham, and New York, came up for their last examination.

Mr. Reed, solicitor to the assignees, said the accounts were of such a voluminous nature, that on the part of the assignees he must request further time, in order to investigate them.

His honor acceded to the application.

The following is the balance-sheet, prepared by Mr. Butler, accountant. It extends from September 1, 1844, and ends at the date of the fiat, December 27, 1847:

|                                                                        |          |    |    |               |
|------------------------------------------------------------------------|----------|----|----|---------------|
| English claims—To creditors unsecured...                               | £ 45,264 | 3  | 5  |               |
| To creditors holding security.....                                     | 27,993   | 11 | 2  | £ 73,257 14 7 |
| To liabilities—On December 27, 1847.....                               | £ 64,331 | 15 | 10 |               |
| Since paid.....                                                        | 58,586   | 3  | 11 |               |
| Unpaid March 10, 1848.....                                             | 5,745    | 11 | 11 |               |
| American claims—To creditors unsecured.                                | 16,839   | 4  | 3  |               |
| To creditors holding security.....                                     | 4,299    | 3  | 6  | 21,188 7 8    |
| To profits.....                                                        |          |    |    | 25,496 12 7   |
| To capital on the 1st of September, 1844, as per statement of affairs. |          |    |    | 14,717 12 9   |
| E. J. Coates three-fourths....                                         | 11,038   | 4  | 7  |               |
| J. Hillard one-fourth.....                                             | 3,679    | 8  | 2  |               |
| Total liabilities.....                                                 | £ 14,717 | 12 | 9  | £ 134,660 7 7 |

**Assets in England—**

|                                              |         |    |    |         |      |
|----------------------------------------------|---------|----|----|---------|------|
| By cash, bills, and property to assignees... | £ 7,243 | 2  | 4  |         |      |
| By good debts.....                           | 1,313   | 10 | 11 | £ 8,556 | 13 3 |
| By doubtful debts, partly secured.....       |         |    |    | 2,502   | 10 1 |
| By property in hands of English creditors.   |         |    |    | 23,082  | 6 10 |
|                                              |         |    |    | <hr/>   |      |
|                                              |         |    |    | 34,141  | 10 2 |

**Assets in America—**

|                                            |       |    |    |        |      |
|--------------------------------------------|-------|----|----|--------|------|
| By cash, bills and property.....           | 6,204 | 14 | 1  |        |      |
| By good debts.....                         | 5,852 | 9  | 11 |        |      |
| By doubtful debts, partly secured.....     | 831   | 4  | 7  |        |      |
| By property in hands of American creditors | 2,073 | 7  | 6  | 14,961 | 16 7 |
| By business expenses.....                  |       |    |    | 15,796 | 12 7 |
| By losses.....                             |       |    |    | 64,778 | 11 1 |
| By amounts drawn out by partners, viz.     |       |    |    |        |      |
| E. J. Coates.....                          | 2,477 | 17 | 1  |        |      |
| J. Hillard.....                            | 2,504 | 0  | 1  | 4,981  | 17 2 |

Total assets..... £134,660 7 7

It is stated that the separate estates of the partners will pay 20s. in the pound to their private creditors. If there should be any surplus, it will, of course, be handed over for the payment of the creditors of the joint estate. The whole amount of debts proved is £62,000.

A claim of £600 was made upon the part of Mr. Owen, an American merchant, which arose in this way: the bankrupts were Owen's English agents. He sent to them certain remittances for the discharge of acceptances in London. When those remittances arrived the house of Coates and Hillard had stopped payment, and the remittances were handed over to the official assignee.

His honor said the trust of the bankrupts must be fulfilled, and the remittances given back to the claimant.

The next meeting was fixed for the 7th of April.

*April 7.*—The bankruptcy of Ezra Jenks Coates and John Hillard, came up on the question of passing their last examination. They were extensive merchants, carrying on business in Broad street, Cheapside, Nottingham, Manchester, Liverpool, and with a large branch house in New York.

The balance-sheet, prepared by Mr. Butler of Pancras lane, was published in *the Times* a few days ago, and it is now unnecessary to do more than mention the gross amount of debts and liabilities, which were about £100,000. The assets are estimated at a large sum, but whether they will ultimately realise so much must remain uncertain until the whole of the stock be disposed of.

Mr. Reed was solicitor to the assignees; Mr. Rees attended on behalf of Mr. Coates.

At the former meeting no opposition was offered. It was adjourned at the request of the assignees, who wished for a postponement to this day in order to inspect the accounts, which are voluminous.

Some discussion took place as to the mode in which the figures stood upon the balance-sheet, and whether the item "losses" should not be increased, and that of "capital" diminished. It appeared, however, that the bankrupts had sufficient reason for estimating the capital at the amount they had done, and although the assets which it comprised became in the flux of time depreciated, they were at the time fixed upon, (September, 1844,) estimated at no more than their marketable value.

Mr. Rees remarked that it was highly creditable to Mr. Coates that, whilst managing so extensive a business and with such large prospects, his private expenditure was exceedingly moderate, amounting to no more than

£500 or £600 a year. He had further to observe that the accounts were highly satisfactory, and there was not the slightest objection to be found against them by the official or trade assignee.

Mr. Reed said, he was anxious to state that at present he offered no opposition, but would reserve what he had to say for the certificate meeting.

Mr. Rees.—Perhaps your honor will allow me to state, as a matter of justice to this respectable firm, that a false and most injurious report has gone abroad which I am now anxious to correct, and to which I invite the attention of the official assignee. It has been currently rumored that their books have not been balanced for eighteen years.

Commissioner (to the official assignee.)—Is that so, Mr. Cannan.

Mr. Cannan.—No sir; but, on the contrary, the books have been most correctly kept and regularly balanced. In fact, it is from the books having been so well kept it results that the balance-sheet has been so satisfactorily made out.

Commissioner.—Well I must say that I think it is desirable that this statement of the official assignee should go forth to the world, that a rumor so injurious to the reputation of these gentlemen may be corrected. It appears that their books have been most regularly kept, and that is a matter most creditable to them. I think it is desirable that this public explanation should take place, and that the public may know that in this respect Messrs. Coates & Hillard are wholly free from blame.

The third of May next was then fixed for the certificate meeting, and the bankrupts were declared to have passed their last examination.

## SAVINGS' BANKS.

The Western Saving Fund Society of Philadelphia, No. 313 Chesnut street, is open for the receipt and payment of money, every day (except Sunday) from 9 o'clock, A. M. to 1 o'clock, P. M., and every Monday afternoon from 3 to 7 P. M.

JOHN RICHARDSON, *President.*

HENRY HOLLINGSWORTH, *Treasurer and Secretary.*

The undersigned having been duly appointed auditors (under the first article of the charter incorporating the Western Saving Fund Society of Philadelphia, passed the eighth day of February, A. D. 1847,) to audit and settle the accounts of the said Society, having been first duly severally sworn and affirmed so to do, report we have diligently and faithfully performed that duty, and find the Western Saving Fund Society of Philadelphia have received on deposit from the 8th day of July, (on which day its office, No. 313 Chesnut street, was first opened for business,) to the 31st day of December, 1847, inclusive, the sum of

\$ 99,607 03

The society have paid back to the depositors

during that time, principal and interest \$ 17,966 15

The society have paid for investments, 79,421 83

The office disbursements, 1,586 50

In the Bank of North America, on the 31st

day of December, 1847, 682 55 \$99,607 03

The president of the society reported and exhibited to the auditors—

Certificates for state of Pennsylvania 5 per cent. stocks.

do. do. do. 6 per cent. stocks.

do. city of Philadelphia 6 per cent. loan.

And—United States Treasury notes.

Amounting collectively, at par, to \$89,800 00: which certificates and treasury notes agree in amount with that called for by the books of the society, and the balance sheet extracted therefrom.

It is proper to report, the society would receive on the 1st of January, 1848, six months' interest on the par investment of city loan; the interest of six months on the United States treasury notes, as interest fell due on them severally; and on the 1st of February, 1848, six months' interest on the state of Pennsylvania five per cents. and six per cents. the greater part of which interest had accrued previous to the 31st of December, 1847, but could not be received by the society before the dates above stated.

It was also, by evidence produced to the auditors, shown, that previous to opening the office for the receipt of deposits, provision to the amount of two thousand dollars had been made and placed under the control of the managers, to provide for the immediate expenses of the society, under a written understanding and agreement between the subscribers thereto, "that no one of them is to demand re-payment of principal, or payment of interest, except out of the profits or gains of the corporation, and then only pro rata one with another."

SAMUEL NORRIS,  
A. J. LEWIS,  
THOMAS T. LEA.

*Philadelphia, March 28th, 1848.*

~~~~~  
SAVINGS BANK OF BALTIMORE.

*Savings Bank of Baltimore, }
April 1, 1848. }*

Ninth Extra Dividend.

The president and directors of the Savings Bank of Baltimore, have this day declared an extra dividend of the profits of its business for the last three years, amounting to \$51,000.

This amount is by law divided to such sums as have been in bank for one year or more, in the following proportions: To sums on deposit for three years, an extra dividend of 6 per cent.

To sums on deposit for two years, an extra dividend of 4 per cent.

To sums on deposit for one year, an extra dividend of 2 per cent.

This dividend added to the regular annual interest of 4 per cent., which is carried to the credit of each depositor on the 1st of April in each year, makes for the last three years 6 per cent. per annum, without computing the profit of compound interest on the undrawn annual interest.

The state and city taxes upon the deposits are paid by the bank.

The above dividend will be carried to the credit of each depositor, and bear interest as a deposit, from this day until withdrawn.

The extra dividend and annual interest will be ready for entry in all the depositor's books on or after the 25th instant.

The office of the bank is open on Mondays from 9 to 1 o'clock, and on other days from 10 to 1 o'clock, for the purpose of receiving and paying deposits, and attending to general business. By order of the board.

JOSEPH CUSHING, *President.*

ARCH'D STIRLING, *Treasurer.*

✂ This institution had deposits on January 1, 1848, amounting to \$1,721,577. (See page 501.)

SAVINGS BANKS OF FRANCE.

From the Report of the Minister of Finance, April, 1848.

Notwithstanding the most energetic representations, the government of the ex-king rendered it impossible that it could maintain its engagements with the creditors of the savings banks. The pledge demandable at pleasure was no longer free in their hands. When I assumed the direction of the finance of the state, on the afternoon of the 7th of March, the property of the depositors was placed as follows: In the treasury at 4 per cent. 65,703,620f. 40c.; in 5 per cent. government stock, 34,106,130f. 25c.; in government 4 per cent. stock, 202,316,175f.; in 3 per cent. government stock, 34,084,447f. 92c.; in shares of the four canals, 14,059,120f.; in shares of the three canals, 4,818,218f. 75c. making altogether 355,087,717f. 32. Perhaps the new government might have said to the creditors of the savings banks, "such is the pledge which the government left us in which you placed your confidence—take it." Such a mode of resolving a considerable difficulty was not unjust. It was easy. We have rejected it. Government securities being now depreciated, the owners of deposits in the savings banks would have had to suffer a loss more or less considerable, and we did not wish to impose such a loss on them. But, after a rapid and minute examination of the position of the depositors, we discovered that the small sums belonged, in general, to needy citizens; that the large deposits, particularly in the departments, are the property of families more or less in easy circumstances, who frequently eluded the limits of the law by dividing their deposits under several heads. We have discovered that though the former, in withdrawing their deposits, obeyed the dictates of necessity, the latter gave a proof of their culpable ill-will or their injurious mistrust of the republican government. Wishing to recompense those who show an enlightened confidence, I have already determined that the interest on the deposits in the savings banks shall be raised to 5 per cent. Wishing at present to conciliate at the same time the good feeling which the distressed depositors display toward the government with the imperious necessity of a situation which we have not created, I propose to the provisional government to determine—1. That all deposits of 100f. and less shall be repaid in full cash. 2. That the deposits of 101f. to 1,000f. shall be repaid as follows: viz. 100f. in cash, one-half of the surplus in treasury bonds at four months' date, bearing interest at 5 per cent. and the other in 5 per cent. government stock at par. 3. That those accounts which exceed 1,000f. shall be repaid as follows: viz. 100f. in cash, one-half of the surplus in treasury bonds, at six months' date, bearing interest at 5 per cent. and the remaining half in 5 per cent. stock at par.

INTELLECTUAL LIGHT AND SUN-LIGHT.—It is ascertained that there exists a direct and constant connection between the intellectual light and the light of day which penetrates into houses: the more openings, doors and windows to the dwellings, the more instruction among the inmates, and reciprocally. Whence it follows, that in passing through a country one may judge tolerably well, by nothing more than the exterior aspect of the houses, by the manner in which they are ventilated, and by the scarcity or number of doors and windows, to what point instruction is there carried and civilization advanced.—*Almanach de France*, 1848.

BANK STATISTICS.

BANKS OF BALTIMORE.

Dividends in 1847 and 1848, and quotations of stock, May, 1848.

Banks.	Capital.	Div.		Dividends.		Per ct.
		1847.	1847.	1847.	1848.	
Merchants'.....	1,500,000	Jan. 3	July 3	Jan. 3	84 @ 87	
Chesapeake Bank.....	340,615	" 3	" 3	" 3	72	
Farmers and Planters'.....	600,625	" 3½	" 3½	" 3½	88 @ 89	
Union Bank of Maryland.....	916,350	" 3	" 3	" 3½	79 @ 80	
Western Bank.....	308,280	" 3	" 3	" 3	80 @ 81	
Franklin Bank.....	301,850		"	" 3	68 @ 72	
Farmers and Merchants'.....	393,560	April 3	Oct. 3½	April 3	62 @ 75	
Marine.....	809,200	" 3½	" 3½	" 3½	75 @ 93	
Commercial and Farmers'.....	512,560	May 4	Nov. 4	May 4	101	
Bank of Baltimore.....	1,200,000	June 3½	Dec. 3½		84 @ 85½	
Mechanics'.....	590,724	" 3	" 3½		84 @ 85	
Total.....	\$6,973,764					

Dividends of the Philadelphia Banks.

For the year 1847 and part of 1848, with market value of stock, May, 1848.

	Capital.	1847.	1847.	1848.	Stock.
Bank of North America....	1,000,000	Jan. 4	July 5	Jan. 5	113½ @ 116
Bank of Pennsylvania.....	1,562,500	" 4	" 4	" 4	109 @ 110
Philadelphia.....	1,150,000	May 4	Nov. 4	May 7	112 @ 114½
Commercial.....	1,000,000	" 4	" 4	" 4	102 @ 102
Girard.....	1,000,000				21½ @ 22
Mechanics'.....	800,000	" 5	" 5	" 5	130 @ 134
Farmers & Mechanics'.....	750,000	" 6½	" 6½	" 6	170 @ 193
Northern Liberties.....	350,000	" 5	" 5	" 5	128 @ 132
Western.....	334,800	" 4	" 4	" 5	129 @ 130
Manufacturers & M.....	300,000	" 4	" 4	" 4	100 @ 100
Bank of Commerce.....	250,000	"	" 3	" 3	96 @ 100
Southwark.....	250,000	" 5	" 5	" 5	140 @ 150
Kensington.....	250,000	" 5	" 5	" 5	120 @ 124
Penn Township.....	225,000	" 6	" 6	" 5	128 @ 132

For details showing the loans, specie, real estate, stocks, circulation, deposits, &c. of each bank in Pennsylvania, see pp. 620—623 of this work.

BANKS OF BOSTON.

Capital and Dividends, 1844 to 1848.

	Capital.	October.	April.	Total.	Average.
1843-'4.....	17,010,000	417,000	426,300	843,300	4.96
1844-'5.....	17,480,000	480,800	550,250	1,031,050	5.90
1845-'6.....	17,480,000	561,500	593,000	1,154,500	6.60
1846-'7.....	18,180,000	603,000	625,000	1,226,000	6.75
1847-'8.....	18,980,000	658,300	702,800	1,361,100	7.17

Bank Statistics.

751

Dividends of the Boston Banks in 1845, '46, '47, and April, 1848, with quotations of Stocks, May, 1848.

Banks.	Capital.	Dividend, April, 1848.	April, 1848.	Year 1847.	Year 1846.	Year 1845.	Stock.
Atlas Bank.....	500,000	15,000	3	6½	6	6	90 @ 94
Atlantic.....	500,000	17,500	3½	6½	6	6	90 @ 94
Boston.....	900,000	36,000	4	7	7	7	101 @ 102
Boylston.....	150,000	6,000	4	8	5	new	100
City.....	1,000,000	35,000	3½	6	6	6	98
Columbia.....	500,000	15,000	3	6	6	5½	94
Eagle.....	500,000	17,500	3½	6½	6½	6½	96
Exchange.....	500,000	22,500	4½	new			92
Freeman's.....	200,000	8,000	4	8	8	7	101
Globe.....	1,000,000	35,000	3½	7	6½	6	100
Granite.....	500,000	17,500	3½	6½	7	6	92
Hamilton.....	500,000	17,500	3½	7	7	6	95
Market.....	560,000	28,000	5	9½	9	8	108 @ 109
Massachusetts.....	800,000	24,000	3	6	6	5 4-5	95
Mechanics'.....	120,000	4,800	4	8	8	7	92
Merchants'.....	3,000,000	120,000	4	7	7	7	101
New England.....	1,000,000	40,000	4	8	6	6	100
North.....	750,000	22,500	3	6	6	6	92
Shawmut.....	500,000	17,500	3½	7	6½	6	92
Shoe & Leather Dealers'	500,000	22,500	4½	8	7½	6½	103
State.....	1,800,000	54,000	3	6	6	6	90
Suffolk.....	1,000,000	50,000	5	10	8	8	120
Tremont.....	500,000	17,500	3½	6½	6	6	92
Traders'.....	400,000	14,000	3½	7	6	6	89
Union.....	800,000	28,000	3½	7	6	6	97
Washington.....	500,000	17,500	3½	6½	6	5½	93
April, 1848.....	\$18,980,000	\$702,800					

Dividends of the Banks in New York, 1847 and 1848.

With quotations of Stocks, May, 1848.

	Capital.	1847.	1847.	1848.	Stock.
Bank of America.....	\$2,000,200	Jan. 3½	July 3½	Jan. 3½	95 @ 96½
Bank of Commerce.....	3,449,480	" 3	" 3½	" 3½	90 @ 92
Tradesmen's.....	400,000	" 5	" 5	" 5	116 @ 122
Phenix.....	1,200,000	" 3	" 3	" 3	80 @ 83
Seventh Ward.....	500,000	" 3½	" 3½	" 3½	90 @ 98
Merchants' Exchange.....	750,000	" 4	" 4	" 4	102 @ 103
North River.....	655,000	" 4	" 4	" 4	97 @ 100
New York Dry Dock.....	200,000	"	"	"	48 @ 50
Leather Manufacturers'....	600,000	Feb. 3½	Aug. 3½	Feb. 3½	100 @ 105
Manhattan.....	2,050,000	"	"	" 3	88 @ 90
Butchers and Drovers'.....	500,000	" 5	" 5	" 5	111 @ 113
National.....	750,000	April 3½	Oct. 4	April 4	100 @ 101
American Exchange.....	1,155,400	May 3½	Nov. 3½	May 3½	96 @ 100
Bank of New York.....	1,000,000	" 5	" 5	" 5	118 @ 120
Bank of State of New York	2,000,000	" 3	" 3	" 3	78 @ 84

	Capital.	1846.	1847.	1848.	Stock.
City.....	720,000	May 4	Nov. 4	May 4	103 @ 108
Mechanics'.....	1,440,000	" 4	" 4	" 4	99½ @ 100½
Union.....	1,000,000	" 5	" 5	" 5	118 @ 123
Bowery.....	300,000	"	" new	" 4	97 @ 99½
Mechanics and Traders'...	200,000	" 5	" 5	" 5	100 @ 109
Greenwich.....	200,000	"	"	" 4	100 @ 105
Fulton.....	600,000	" 5	" 5	" 5	114 @ 120
Mechanics' Banking Asso.	632,000	June	Dec. 3½		89 @ 90
Merchants'.....	1,490,000	" 4	" 4		104 @ 105
Chemical.....	300,000				165 @ 170
Total.....	\$ 24,092,080				

For interesting particulars relating to the banks of the State of New York, see pp. 48, 50, 125, 127, 390, 447, 492, 577.

FINANCES OF THE CITY OF NEW YORK.

Extract from the Mayor's Message.

Mayor's Office, New York, May 9, 1848.

To the Honorable the Common Council:

GENTLEMEN:—Grateful for the generous confidence of my fellow citizens, which has again called me to administer the government of this great city, I nevertheless feel a profound sense of the arduous responsibilities of the trust; and shall esteem myself fortunate if I shall be able with my best endeavors for the public service, and with the most indulgent construction of my acts, to justify the confidence which has been so liberally extended to me.

A provision of the charter makes it the duty of the mayor to communicate annually, and oftener if circumstances shall require, to the common council, on such topics as concern the welfare and prosperity of our city and the proper administration of its affairs.

The financial condition of the city first demands our attention, and is exhibited in the following statement made up to the 5th instant.

The permanent city debt redeemable from the sinking fund May 5th, 1848, was as follows:—

5 per cent. public building stock, redeemable	1856,	\$ 515,000 00
5 " fire loan stock, do.	1851,	500,000 00
5 " city stocks of '20 and '29 do.	1850,	250,000 00
5 " fire indemnity stock, do.	1868,	375,000 00
5 " water loan stock, do.	1858,	3,000,000 00
5 " " " do.	1860,	2,500,000 00
5 " " " do.	1870,	3,000,000 00
5 " " " do.	1880,	1,584,867 00
5 " Croton water stock, do.	1890,	480,000 00
7 " water loan stock, do.	1852,	890,207 00
7 " " " do.	1857,	889,488 00
6 " temporary water loan, before	1850,	562,133 00
		\$ 14,646,783 00

Less.

Amount of stocks and bonds held by the commissioners of the sinking fund for the redemption of the above,	\$ 2,628,882 00	
Balance in treasury to the credit of water fund,	94,575 00	
Balance of cash in bank to credit of commissioners of sinking fund	32,250 00	
		<hr/> 2,755,707 00
Total net debt to be redeemed by sinking fund	\$ 11,891,076 00	
For the completion of water works and payment of damages there is authority yet to issue water stock to the amount of		<hr/> 20,000 00

Total amount of debt authorised and to be redeemed by the sinking fund, \$ 11,911,076 00

There is, in addition to the above, a debt of \$300,000 funded for the erection of almshouse buildings, which is redeemable in annual instalments of \$50,000, to be raised in the taxes of each year, commencing in 1848 and ending in 1853.

The board of supervisors is authorised by an act of the legislature to raise by tax the following sums for city expenditures for the present year:

For general city expenditures under the control of the city authorities, other than for police, and lamps and gas	\$ 1,249,150 00
For police,	479,000 00
For lamps and gas	171,000 00

Total for city and county expenditures, subject to the control of the city authorities, and authorised to be levied \$ 1,899,150 00

Floating debt redemption	50,000 00
Common schools	288,300 00
Deficiency of interest on city debt	290,000 00

Deficiency of tax for 1847 \$ 628,300 00
90,000 00

Making for all purposes, for city and county \$ 2,617,450 00
For state tax 124,000 00

Total tax to be levied for city, county, and state. \$ 2,741,450 00

It may well be doubted, whether a potential cause of unwise and extravagant expenditure does not lie still deeper than the abuses of administration, or the defects in the structure of the government. The dispensation of the enormous patronage consequent upon the expenditure of a million and a half of dollars, and the maintenance of a very large number of officers and dependents, subject to the arbitrary will of the common council for the time being, distributed anew almost every year, in the incessant fluctuations of party ascendancy, and attracting as well the future expectants as the present possessors, create an interest in favor of expenditure, which is very powerful and far more active than the interest in favor of economy. Although the influence of this interest in our municipal affairs would be much weakened by proper modifications of the charter, such an interest must, to

some extent, always exist, and it is a misfortune peculiar to this city, that this interest is far less here, than in other parts of the state, counteracted by the interest in favor of economy.

Nearly four-fifths of our taxes are levied upon real estate, of which a vast majority of the electors own none. They pay their taxes in the form of rent, but without ascribing that portion of the rent which is added to cover taxation, and the pressure of which they feel, to its real source. The consequence is that they are not so sensitive to extravagance in expenditure, as they would be, if they realized the mischief which it inflicts upon them.

It is in vain to expect effectual reforms so long as from superior activity, or any other cause, the interest in favor of expenditure is stronger than the interest in favor of economy. And the truth cannot be too frequently or too strongly inculcated that taxation, in whatever form it is apparently collected, must ultimately fall upon labor, and that, carried to the degree to which we seem to be rapidly approaching, it is a blight upon the industry of a people. If we would have effectual reform and practical economy, those who nominally pay the taxes must learn to acknowledge, and those from whom they are really derived must learn to realize this important and fundamental truth.

W. F. HAVEMEYER.

PUBLIC CREDIT.

From the London Economist, April 8, 1848.

In our last number we spoke freely of the misfortunes, the faults, and the crimes of France, and we glanced at the enormous advantages possessed by this country, in the character of its people and its institutions. We there showed the grounds why we are without *hope* for the one and without *fear* for the other. How far the marked difference between the two countries is the result of the different constitutions under which they have existed, it is impossible to say. But considering the great variety of races of which this country has been composed, and the prevailing sameness of social and moral character which is now found among all alike, we are disposed to attribute infinitely more to the moulding which the national characteristics of this country have received from its laws, its customs, its institutions, its local government, the spirit of individual responsibility and self-reliance which have permeated all classes of society, all ranks of life, from the crown to the peasant, than to any original difference in the race itself.

But all experience has shown that there are two great elements of public prosperity in this country, which it has always been a first essential to maintain, and without which all the other advantages and blessings which we have enjoyed would have crumbled and disappeared, in spite of the best form of government. We allude, first, to the maintenance of PUBLIC CREDIT, and secondly, to the maintenance of PUBLIC ORDER. Our attention is more especially called to these two great essential elements of our prosperity, by the publication of the revenue accounts on Thursday, and by the meeting which is advertised to take place on Kennington Common, on Monday next. We propose, therefore, to consider some of the more direct and important consequences which *public credit* and *public order* exert over the interests of all parts of the community, and more especially over those of the working classes.

With regard to the PUBLIC CREDIT.—It has been doubted by some whether the extensive credit system which has prevailed of late years in this country,

is not on the whole a greater evil than a good; whether the disadvantages which arise from periodical revulsions, which are no doubt aggravated, though not created, by that system, do not overbalance the benefits derived from the system itself. We will not stop to solve this question—were we to do so, we should have little difficulty in showing that such a notion is wholly erroneous. But taking the country as it is, we have now no choice. The huge accumulations of capital in the hands of individuals, their necessity of obtaining a profitable return for it: the industry, enterprise, intelligence and commercial spirit of other large portions of the community, not possessed of sufficient capital of their own, in order to give full exercise for their powers, bring these two classes together in the characters of creditors and debtors, of lenders and borrowers, by an impulse too strong and certain to be controlled. They are brought together in various forms: some in the simple shape of the capitalist lending, and the active merchant or manufacturer borrowing: some in the shape of sleeping partnerships; some in the shape of large wholesale dealers, who employ large capitals in furnishing credit to smaller dealers, who distribute commodities to the consumers. But in the most numerous cases, the capitalist uses the banker or the bill broker, as his medium for insuring a safe occupation for his capital. In all these cases credit is the very life and soul of our commercial system. The desire of the capitalist to employ his capital with such an amount of safety, and at such a rate of profit, as coincide with his own wants and his own ideas of comfort and ease, on the one hand; the willingness of the more active and energetic man, possessed of knowledge and ability, but not of capital—to pay a portion of his gains for its use, on the other hand, form the inseparable tie between these two great classes. And it is a tie not only essential to be maintained, if we are to advance in prosperity, but the dissolution of which would at this time throw the country into anarchy and confusion, greater than the history of the world could furnish any example of.

The intimate sympathy between public and private credit is now fully understood and felt by all. It requires not to be enforced by any words of ours. Let the funds fall *one per cent.* on the stock exchange, the rate of discount and the facility of obtaining loans and discounts in Lombard street are instantly affected. The first letter which every banker throughout the country opens is that of his London agent; the first column of the daily paper which is referred to by him is the city article; the price of the funds, the fluctuations on the stock exchange, determine, or at least influence, his transactions for the day. The till is opened freely or closed cautiously, bills are discounted or "*declined*," two months' acceptances only are put to account, and longer dates refused, according to the indications of the great barometer of the money market—consols. And this is no whim, no caprice. The banker holds a large portion of his reserve, and that on which he most relies in the case of emergency, in public securities. But if he bought consols at 90, and they are falling every day, and approaching 80, he cannot aid himself in the case of need, without an enormous sacrifice. His only course is to limit his accommodation; to increase his reserve, by not issuing his capital in fresh discounts so rapidly as former advances fall due and are re-paid. He is influenced again by other considerations. Consols at 80 are a tempting investment. Many of his customers, who have usually funds in his hands for employment, are tempted by the low price, and withdraw them for a new investment. And thus, even if he should not himself be tempted to direct an unusual portion of his means from commercial channels into the public funds at so low a price, there are many considerations over which the banker has no control, which render a contraction of credit

at such a time a matter of necessity and of common prudence. The consequences of such occurrences are felt most seriously by the commercial and manufacturing classes, whose obligations are to pay *fixed sums* of money, whatever the depreciated value of goods, at *fixed dates*. The consequence of the discredit of last year, and the havoc which it created, have left traces which will require a long period to efface.

The revenue accounts for the year ending the 5th inst. are now before us. Their publication, although not worse than we had a right to expect, was attended by a fall in the funds, attributed partly to the result of these accounts and partly to other causes. These accounts show a deficiency of income, compared with the last year, of 2,218,511*l*. They, moreover, show that the chancellor of the exchequer will require an advance of 1,435,398*l* on deficiency bills from the Bank of England, in order to pay the dividends now due; whereas on the 5th January (three months since) he had a surplus of 882,548*l*; so that taking the income of the quarter and the expenditure of the quarter, the latter exceeds the former by the sum of 2,317,946*l*. So far as regards the advance from the Bank of England, in its present condition, it cannot be attended with any inconvenience whatever. And so far as regards the general falling off in the revenue, the extraordinary occurrences of the two past years are quite sufficient to account for it, without creating any fear or uneasiness as to the permanent prosperity and ability of the country. But the fact that so considerable a deficiency, which, it is to be feared, will rather be increased than diminished as the year advances, is still left unprovided for, is, we must own, a source of grave anxiety; and especially when we view it in connection with the disturbed state of politics throughout Europe.

The deep and strong conviction which we have always felt, and which the occurrences of last year tended so much to confirm, that the true interests of the commercial and industrious classes of this country are best consulted by maintaining public credit above the most remote suspicion, in consequence of the intimate sympathy subsisting between it and private credit, has induced us for some months past to press upon the public and the government, as a first and imperative duty, to make the *income* of the country equal to the *expenditure*. The government on their part made the attempt; so far *they* are not to be blamed (however much some may be disposed to think they erred in not persevering in the attempt,) if the finances of the country are in an unsatisfactory state. But we must say, and a feeling of duty compels us to be explicit on this point, that we think the commercial classes never pursued so unwise a policy, as to resist the attempt to increase the income and property tax to *five per cent*. Out of a sum of 5,500,000*l*, which may be taken as the proceeds of this tax at present, the proportion paid by trades and professions, after deducting for landed properties and mortgages in Ireland, and property in the colonies and otherwise out of England, all of which are included in schedule D, cannot be taken at more than 1,500,000*l*. Therefore, if we estimate that the additional *two per cent*. would have given 3,500,000*l*, then *trades* and *professions* would have contributed the sum of 950,000*l*; while real property, the funds, and other sources, would have contributed towards the whole amount of 3,500,000*l*, raised in aid of the public revenue, no less a portion than 2,550,000*l*. As a matter just in principle, and possible in practice, we are still ready to contend that the *gross profits* of commerce or professions are not *incomes* in the same light as rents of real property or dividends from the public funds, and that they should be classified and charged differently. For this principle and practice we have always contended; and no argument that we have yet heard has convinced us either that it is wrong or that it is impracticable.

But when we consider how small a portion of the whole tax is really derived from trades and professions, and therefore, how comparatively small any proportionate reduction would be on the amount contributed from that source, we cannot avoid coming to the conclusion that the commercial classes, looking only to their own interests in the first place, would have acted wisely in accepting the tax in the form in which it was proposed, rather than rejecting it altogether.

How is our commerce to be extended, and the demand for labor increased? We have already seen what results have flowed from the financial policy of the last seven years. No one will pretend to deny that, however great our sufferings have been, and still are, under the unparalleled difficulties of the last two years, they would have been monstrously aggravated had our commercial system retained the restrictive principles which it did up to 1842. During that period our exports have increased upwards of 10,000,000*l*. That fact, at least, implies a much larger employment of capital and labor. But how are we to render a perseverance in the same policy possible? Only by maintaining the finances of the country in such a condition as shall enable the government safely to make temporary sacrifices, by a reduction of duties on the great articles of our import—to cheapen their price to the general consumer, and thus to increase the consumption and the demand for our products in exchange for them. Those who are advocates for a reduction of the present enormous duty on tea—for an extension of our trade to China—those who wish to see our fiscal code deprived of the extraordinary temptation which, in consequence of extremely high duties, it holds out for fraud and crime—can only hope to have their wishes accomplished by the policy proposed, and unfortunately, we think, abandoned by the government in the recent discussions on the budget.

But there is another and a most essential view to which we must claim the attention of the commercial classes, with regard to the safety and perfect confidence which it is desirable to see belonging to our public finances. We have already referred to the intimate sympathy which subsists between public and private credit. Of this the commercial classes have had serious experience at various periods, in this and in other countries. The effects of a pressure on credit, and the want of confidence, during some parts of last year, upon the commercial interests, have been most ruinous. Look to France at the present moment. Two months have sacrificed banking and commercial capital—the accumulations of at least a quarter of a century. Real property stands comparatively untouched and uninfluenced amid the general ruin of governments, banks, and merchants. The former is tangible and permanent; the latter depends for its value upon confidence and credit. We can appeal for a lesson to the havoc of last year. What was the consideration of an income tax of *three* or even *five* per cent. compared with the losses to which all connected with commerce were subjected from public panic and discredit only, in spite of the most prudent and sagacious course having in many cases being followed? No prudence, no sagacity, can save individuals from a participation in such general losses. It is on these considerations that we think this country has acted wisely during the last half century, in always cheerfully submitting to whatever temporary inconvenience was necessary to sustain, under the greatest difficulties, the public credit. In indirect consequences we have been repaid for that inconvenience a thousand fold. It is on these considerations that we feel more than ever assured, that the country has committed a great error in rejecting the recent propositions of the government to persevere in the same policy, and to maintain the public income equal to the expenditure.

But perhaps the class which, more than all others, is deeply interested in

preventing the recurrence of commercial panics and alarms—is the working population. Their *immediate* subsistence depends more upon the maintenance of order and security than that of any other class whatsoever. In this country, where so much of the employment arises out of credits given to customers in distant markets, and which, in their turn, depend upon the ability of the manufacturer and merchant to obtain the usual accommodation and facilities which are always interfered with by any cause of discredit, the laboring classes are the first to suffer from any suspension of usual activity in business. Every steam engine stopped—every furnace blown out—every mine shut up—cut off at once, and without any previous notice, the entire of the daily food of large numbers of persons. The suspension of commerce and credit not only deprives them of their immediate means, through wages, but in the long run renders scarcer and dearer the articles on which they depend for subsistence. Other classes of society have always some resources on which they can fall back, but with the great bulk of the laboring population of every country, anything that deprives them of employment, deprives them of the daily necessities of life. Without credit and confidence, commerce cannot be maintained, manufactures must languish, wages must cease, and the masses of the working classes must be subjected to the greatest suffering and privation.

But PUBLIC CREDIT and PUBLIC ORDER are essentially bound up with each other, and with the maintenance of general prosperity. An infringement of either, or both, is the first and surest signal of derangement in commerce, and lessened employment. At the present moment, when the state of Europe furnishes so many sad examples of the misery and ruin which have resulted to the commercial and working classes, it is of the gravest importance that we should form a just estimate of the consequences which would result in this country to the various classes of society, from any important interruption to that peace and order for which it has been generally so much distinguished, and under which, in comparison with those countries which have been exposed to continual outbreaks, it has risen to so much social and general prosperity. It is above all things necessary that we should well estimate the consequences of any want of confidence which is likely to arise from any serious breach of the peace, when such meetings, with such avowed objects are proposed to be held, as that which is advertised for Monday next, at Kennington Common.

It might be that all the apparent and visible consequences of such a meeting, and of the tumult and mischief which would in all probability result from it, considering the declared objects of its chief promoters, would be the shutting of all the shops, and the suspension for the day of all the manufactures in the neighborhood where the meeting is proposed to be held, and through which it is intended the procession shall pass to the houses of parliament. But though such were the only visible effects, the real consequences would be much more extensive and serious. Public confidence weakened, public securities depressed, the more timid and prudent among merchants, dealers and employers, would each in his turn suspend for a time his operations, and the whole effect would instantly fall back upon those who live by their daily labor. We are very far from denying the great distress which at this time exists amongst all classes connected with trade in any one of its forms; which if it be more visible to the common observer among small tradesmen and the working classes, it is only because the other classes have greater independent resources of their own to fall back upon on an emergency. But does not that fact of itself prove how detrimental to these very classes of small tradesmen and workmen any alarm or outbreak must be, that further destroys confidence or interferes with credit?

But again, while we most readily admit the sufferings of these classes, we would most earnestly implore all parties to consider in what way those sufferings can be best and most rapidly relieved. The country has been impoverished, and confidence has been shaken by a failure of two successive harvests, to an extent unparalleled in the history of the last century. The commercial panic which followed and accompanied the derangement of the trade and monetary affairs of this country, has been succeeded by political events, calculated still more to destroy confidence, injure our commerce, and lessen the whole amount of employment. At such a crisis, what is the only clear and obvious path to relief? Patient industry, to repair as quickly as possible, under the blessings of Providence, the dilapidations of our fortunes and means—profound peace and perfect order, to restore confidence. We have seen no attempt to point out any other means by which industry can now be aided, by which the reward of labor can be rendered more secure and more efficient, but by an extension of our trade, and by more abundant employment. We have now no longer to complain that the cost of the food of the people is artificially enhanced, and that their employment is artificially restricted for the benefit of privileged classes. Fortunately, much has been done to remove the just complaints which so long were preferred against the ruling classes of the country. It is true that time has not yet sufficiently elapsed to secure to the country the advantages which those measures are calculated ultimately to confer upon it. But the greater facilities which free trade has offered, in our efforts to overcome the disastrous consequences of the recent visitations of Providence upon this and other countries, cannot and should not be overlooked. And if we would secure to the country the full and ample blessings which must result from a free and unimpeded commerce, sustained by untiring and unremitting industry, and to each its due reward, we can only hope for such results, if perfect peace and order, and with them confidence and credit are fully maintained.

But while we have endeavored to show how much more sensitive the commercial and industrious classes are of any cause whatever, which threatens an interruption to PUBLIC CREDIT and PUBLIC ORDER, we should fail in our duty if we did not remind the owners of land how much their interests are ultimately, and at no very distant day, bound up with the others to which we have referred. If commerce languishes, and trade is slack—if employment be scarce and wages low—it is not long before markets begin to sicken, and produce to fall in price—when rents become difficult to pay, and discontent and deterioration become visible in the rural districts. What an example of this we have now in Ireland—or at least in some parts of it. What is there the true difference between nominal rents and net income? In short, the more we reflect upon the stake of the various classes of society, the more are we convinced that the true interest of all is the same—and that all are equally, if not so immediately, interested in maintaining, at any cost, PUBLIC CREDIT and PUBLIC ORDER, that confidence may abound, as the only means by which capital and industry can be secured in their just rewards.

NOTE.—The editorial articles of the London Economist, upon the subjects of Finance and Currency, are among the ablest of those that have appeared in England. We have repeatedly made copious extracts from this paper for our columns, as elucidating sound views of the condition and prospects of the European Money Market. Our readers are particularly referred to pp. 9, 91, *et seq.*—Editor B. M.

BANKS OF THE STATE OF NEW YORK.

Comparative view of the condition of the Banks of the State of New York,
at four different periods.

<i>Liabilities.</i>	May 1, 1846.	Aug. 1, 1847.	Nov. 1, 1847.	March 4, 1848.
Capital.....	\$ 42,829,000	\$ 43,214,000	\$ 43,279,891	\$ 43,908,746
Undivided profits.....	5,115,000	5,846,000	6,043,532	6,129,529
Circulation, old	824,000	735,000	716,620	717,893
Circulation, registered.....	19,992,000	24,364,000	25,520,636	22,329,934
Due treasurer of the state...	292,000	793,000	1,009,945	452,093
Due canal fund.....	354,000	1,290,000	1,603,119	1,787,807
Individual deposits.....	31,721,000	36,781,000	35,096,818	28,718,324
Special deposits.....		932,000	966,840	1,023,183
Bank balances.....	11,824,000	24,103,000	17,034,010	13,273,620
Due treasurer U. S.....	3,494,000			
Miscellaneous.....	550,000	710,000	977,865	767,682
Total liabilities.....	\$ 116,995,000	\$ 138,768,000	\$ 132,249,276	\$ 119,109,110
<i>Resources.</i>	May 1, 1846.	Aug. 1, 1847.	Nov. 1847.	March 4, 1848.
Loans and discounts.....	66,808,000	73,743,000	* 74,138,431	66,094,413
Loans to directors.....	4,876,000	4,810,000	4,574,856	5,679,215
Loans to brokers.....	907,000	2,187,000	1,545,242	2,148,183
Bonds and mortgages.....	3,034,000	2,730,000	2,712,840	3,048,858
Stocks, &c.....	10,990,000	12,414,000	13,474,548	12,581,625
Due from directors.....	37,000	19,000	4,675	
Due from brokers.....	417,000	526,000	624,658	
Total loans.....	\$ 87,069,000	\$ 96,429,000	\$ 97,075,250	\$ 89,552,294
Real estate.....	3,516,000	3,489,000	3,464,618	3,608,151
Bank fund.....	173,000	148,000	140,392	68,368
Loss and expense account..	384,000	275,000	491,519	686,042
Overdrafts.....	135,000	112,000	117,090	171,816
Specie.....	8,172,000	11,983,000	9,107,920	6,722,326
Cash items.....	5,840,000	9,370,000	8,703,577	6,118,086
Notes of solvent banks.....	2,851,000	2,686,000	2,420,375	3,338,354
Notes of suspended banks..	5,000	3,000	2,780	15,092
Bank balances.....	8,850,000	14,273,000	10,725,755	8,829,581
Total resources.....	\$ 116,995,000	\$ 138,768,000	\$ 132,249,276	\$ 119,109,110
SPECIE.—Exports of specie from New York :				
Ship Devonshire, London, American gold,.....				\$ 4,410
“ Ann Maria, Singapore, Mexican dollars.....				3,000
“ Columbia, Liverpool, sovereigns.....				57,035
“ Vishna, Bordeaux, five francs.....				22,316
“ Splendid, Havre, Mexican dollars, American gold, sovereigns, francs, &c.				463,767
“ Patrick Henry, Liverpool, sovereigns.....				7,500
“ Prince Albert, London, sovereigns.....				5,335
Steamer America, Liverpool, American gold and sovereigns,.....				347,645
“ Sarah Sands, do. do. do. and Mexican dollars.....				265,734
“ Great Western, Bermuda, American silver.....				60,000
Ship Waterloo, Liverpool, sovereigns.....				29,400
Brig Miletta, Buenos Ayres, Spanish doubloons.....				1,092
Shipments May 1 to 13, 1848.....		\$ 1,267,254		
Shipments Jan. 1 to May, 1848..		3,904,668	\$ 5,171,892	

BANK STATISTICS.

BANKS OF RHODE ISLAND, April 17, 1848.

Where Located.	Name of Banks.	Capital Stock actually paid in.	Bills in circulation.	Total amount due from Bank.	Specie actually in Bank.
Providence	American.....	525,400	66,066	650,671	6,249
"	Arcade	500,000	84,259	681,784	13,473
"	Blackstone Canal....	437,550	100,348	616,252	3,827
"	City Bank.....	200,000	51,300	277,148	2,292
"	Commercial	330,250	41,751	439,124	2,571
"	Eagle.....	400,950	47,173	501,337	2,850
"	Exchange	500,000	98,600	698,701	10,879
"	Globe.....	410,800	69,869	551,612	9,397
"	High street.....	120,000	47,027	208,142	7,905
"	Manufacturers'.....	453,100	60,682	608,744	14,794
"	*Mechan. & Manuf....	186,150	33,916	275,933	3,252
"	Mechanics'	500,000	65,562	624,041	5,286
"	Merchants'	500,000	36,324	1,023,209	25,425
"	National.....	120,000	117,473	334,935	8,491
"	North America.....	423,200	67,943	536,063	8,386
"	Pawtuxet.....	122,212	51,724	196,090	2,271
"	Phenix.....	200,000	63,674	326,386	5,300
"	Providence.....	500,000	123,700	849,049	37,827
"	Roger Williams.....	499,950	83,661	737,330	19,528
"	Traders'	200,000	69,655	304,038	3,745
"	Union.....	500,000	56,732	681,188	10,400
"	Weybosset.....	343,250	53,955	449,252	3,244
Newport	Merchants'	100,000	24,864	141,558	2,933
"	N. E. Commercial....	75,000	22,208	127,966	2,410
"	Newport.....	120,000	25,146	161,272	3,373
"	Newport Exchange....	60,000	18,073	98,991	2,527
"	Rhode Island Union...	165,000	24,075	209,684	4,821
"	Rhode Island.....	100,000	20,022	144,965	3,366
"	Traders'	60,000	21,187	103,059	2,164
Smithfield	Smithfield Exchange..	45,000	35,628	87,136	2,552
"	Globe.....	64,275	25,812	96,720	2,898
"	Smithfield Lime Rock.	100,100	28,915	141,499	999
"	Smithfield Union.....	60,000	34,607	102,901	2,631
"	Village	50,000	30,551	89,219	3,238
Bristol	Bristol.....	150,000	13,662	168,373	1,873
"	Commercial.....	75,000	12,580	97,896	584
"	Eagle.....	50,000	48,229	111,888	445
"	Freemen's.....	65,000	22,457	110,865	1,675
Warwick	Centreville.....	50,000	18,036	76,351	6,572
"	Warwick.....	25,000	9,783	37,573	1,818
Cumberland	Cumberland.....	75,000	40,489	130,083	4,140
"	Woonsocket Falls....	100,000	52,524	182,214	5,133

Where Located.	Name of Banks.	Capital Stock actually paid in.	Bills in circulation.	Total amount due from Bank.	Specie actually in Bank.
Warren	Hope.....	125,000	18,215	163,139	1,557
"	Warren.....	135,000	34,300	184,487	3,685
S. Kingstown	Landholders'.....	100,000	30,379	146,049	2,151
"	Wakefield.....	50,000	21,585	78,838	1,807
N. Kingstown	Narragansett.....	50,000	30,162	98,616	3,172
"	North Kingstown.....	75,000	31,540	117,452	2,193
N. Providence	N. E. Pacific.....	106,600	41,470	116,915	2,625
"	North Providence.....	86,300	21,720	123,639	2,996
"	Peoples'.....	50,000	47,142	112,208	4,319
Westerly	Phenix.....	99,500	40,286	149,226	3,037
"	Washington.....	150,000	59,902	240,755	3,057
Scituate	Citizens' Union.....	40,000	20,704	63,610	3,323
Cranston	Cranston.....	25,000	12,932	49,176	2,554
Exeter	Exeter.....	21,330	16,808	40,795	3,594
Tiverton	Fall River Union.....	199,625	87,545	320,197	5,920
Glocester	Franklin.....	38,000	31,268	79,695	3,112
Coventry	Kent.....	39,900	27,673	76,615	2,241
Foster	Mount Vernon.....	60,000	41,216	106,038	2,964
E. Greenwich	R. I. Central.....	81,960	23,904	122,344	2,403
Burrillville	Pascoag.....				

Sixty-two Banks

\$11,095,202 \$2,698,494 \$16,447,169 \$320,581

The circulation of the Rhode Island banks is only 25 per cent. of their capital, whereas the average circulation of the banks throughout the Union, is *sixty per cent.* upon their capital. For full details upon this head, refer to page 783 of this work. From these tables it will be seen that bank circulation bears no uniform proportion to bank capital. The former predominates in the grain growing states, viz. Ohio, Indiana, Missouri, Kentucky and Pennsylvania; in all which the circulation is nearly equal to, or exceeding their capital.

There is only one place where the specie on hand uniformly exceeds their issues, viz. New Orleans. Even Boston, holding seven millions of deposits of other institutions, and six millions of circulation of its own banks, holds probably, less than three millions of coin—(\$ 3,286,000 in October, 1847, when there had been a large influx of specie from Europe.)

Comparative view of the Banks of Rhode Island in 1845, 1846 and 1848.

Liabilities.	Oct., 1845.	May, 1846.	May, 1848.
Capital.....	10,324,127	10,548,690	11,095,202
Circulation.....	2,670,306	2,907,491	2,698,495
Deposits.....	1,378,497	1,078,914	1,223,993
Deposit on interest.....	117,013	269,948	149,833
Bank balances.....	623,562	757,058	620,323
Dividends unpaid.....	28,970	26,006	26,506
Net profits.....	473,366	510,144	632,818
Total liabilities.....	\$15,615,841	\$16,096,251	\$16,447,170

<i>Resources.</i>	Oct., 1845.	May, 1846.	May, 1848.
Loans to directors.....	720,126	712,614	694,942
“ to stockholders.....	615,674	563,388	582,840
“ miscellaneous.....	12,378,456	12,846,971	13,224,158
Total loans.....	\$ 13,714,256	\$ 14,122,973	\$ 14,501,940
Specie on hand.....	283,380	280,470	320,581
Notes of other banks.....	395,425	460,754	532,936
Bank balances.....	671,879	694,040	564,160
Bank stocks.....	79,757	48,485	57,961
Other stocks.....	192,764	202,048	221,718
Real estate.....	252,491	259,704	231,752
Furniture, &c.....	25,890	29,777	16,124
Total assets.....	\$ 15,615,841	\$ 16,098,251	\$ 16,477,170

V E R M O N T .

Tabular view of the condition of the several banks of Vermont, compiled from the report of the Bank Commissioners to the legislature, October, 1847.

	Capital.	Circulation.	Specie.
1852. Brattleboro....*Bank of Brattleboro.....	75,000	149,000	10,600
1849. Burlington.....Bank of Burlington.....	150,000	152,800	12,300
1865. “Farmers & Mechanics’.....	105,000	174,300	8,300
1859. Chelsea.....*Orange Co. Bank.....	50,000	97,100	2,800
1856. Danville.....*Bank of Caledonia.....	50,000	97,300	2,300
1848. Irasburg.....Bank of Orleans Co.....	30,000	51,300	4,200
1848. Manchester.....Bank of Manchester.....	70,000	120,600	3,300
1826. Middlebury....*Bank of Middlebury.....	75,000	130,700	2,600
1857. Montpelier....*Bank of Montpelier.....	100,000	188,700	3,800
1864. Orwell.....*Farmers’ Bank.....	92,190	125,100	5,800
1858. Poultney.....*Bank of Poultney.....	50,000	98,200	2,100
1863. Proctorsville...*Bank of Black River.....	40,000	79,300	3,900
1856. Rutland.....*Bank of Rutland.....	100,000	177,000	12,100
1862. Rockingham...*Bellows Falls Bank.....	54,000	100,300	6,600
1855. St. Albans.....Bank of St. Albans.....	50,000	133,400	8,500
1856. Vergennes.....*Bank of Vergennes.....	100,000	179,200	10,400
1863. Wells River....Bank of Newbury.....	50,000	148,600	3,600
1864. Woodstock....*Bank of Woodstock.....	60,000	119,500	4,400
	\$ 1,301,190	\$ 2,232,400	\$ 107,600

Banks since Organised.

Bennington.....Stark Bank.....	\$ 50,000
Burlington.....Commercial Bank.....	150,000
Manchester.....Battenkill Bank.....	50,000
Windsor.....Ascutney Bank.....	50,000

*Redeem their circulation at par at the Suffolk Bank, Boston, and are exempt from the payment of taxes to the State. The first column denotes the years when the bank charters respectively expire.

NORTH CAROLINA.

Comparative view of the Bank of Cape Fear and branches, 1845, 1846 and 1848.

<i>Liabilities.</i>	May, 1845.	May, 1846.	April, 1848.
Capital.....	1,500,000	1,500,000	1,500,000
Circulation.....	1,133,488	1,528,292	1,591,079
Dividends unpaid.....	642	249	318
Individual deposits.....	194,769	202,567	222,655
Bank balances.....	34,713	16,627	12,638
Surplus.....	124,706	75,265	99,547
Total liabilities.....	\$ 2,968,318	\$ 3,323,000	\$ 3,426,237
<i>Resources.</i>	May, 1845.	May, 1847.	April, 1848.
Discounted notes.....	1,826,418	1,817,906	1,924,184
Bills of exchange.....	24,489		262,354
Treasury notes and loan.....			250,000
Bank balances.....	417,951	656,725	153,847
Notes of other banks.....	213,927	229,206	172,384
Specie on hand.....	438,710	552,515	592,916
Real estate.....	66,821	66,648	70,552
Total resources.....	\$ 2,988,318	\$ 3,323,000	\$ 3,426,237

BANKS OF CHARLESTON.

Including Branches of the State of South Carolina at Columbia and Camden.

<i>Resources.</i>	July 31, 1846.	Sept. 30, 1847.	Oct. 31, 1847.	March 31, 1848.
Specie on hand.....	539,865	860,475	681,539	473,372
Real estate.....	287,997	287,997	287,997	278,496
Bills of banks in this state.....	350,890	367,937	472,341	280,463
Bills of banks in other states.....	1,000	8,505	6,477	6,940
Due from banks in this state.....	69,989	66,971	60,676	13,671
Due from banks in other states....	72,035	126,564	22,698	73,622
Notes discounted.....	6,156,528	6,124,949	6,088,787	5,962,040
Loans secured by stock.....	201,264	199,714	214,120	258,681
Loans secured by other stock....	398,568	410,118	436,192	347,784
Domestic exchange.....	439,119	563,538	703,243	988,980
Foreign exchange.....	152,034	87,205	140,208	214,645
Bonds.....	1,122,642	1,126,689	1,109,226	1,148,820
Money invested in stock.....	1,383,969	1,320,301	1,357,954	1,357,742
Suspended debt.....	642,809	730,774	751,818	773,717
State treasury.....	8,743			107,088
Branches and agencies.....	1,335,691	1,435,683	1,375,008	1,370,692
Bonds—Charleston.....	909,453	826,051	822,405	802,430
Interest and expenses.....	92,044	145,665	107,668	49,638
Money invested.....	153,289	132,860	119,771	136,536
Total resources.....	\$ 14,317,882	\$ 14,812,303	\$ 14,758,138	\$ 14,645,366

<i>Debts.</i>	July 31, 1847.	Sept 30, 1847.	Oct. 31, 1847.	March 31, 1848.
Capital stock.....	5,992,607	5,992,783	5,992,782	5,992,782
Bills in circulation.....	1,926,621	2,430,057	2,442,349	2,222,864
Net profits on hand.....	296,944	532,789	437,706	322,756
Due to banks in this state.....	1,600,393	1,605,410	1,636,372	1,621,740
Due to banks in other states.....	194,063	272,394	347,016	256,084
Moneys which bear interest.....	42,024	26,860	39,929	38,688
State treasury.....	147,397	101,072	83,904	
State sinking fund.....	434,264	491,023	484,338	459,026
State treasury for loan.....	1,810,253	1,810,253	1,810,253	1,810,253
Cash deposited.....	1,880,312	1,549,662	1,483,485	1,921,169
Total liabilities.....	\$ 14,317,802	\$ 14,812,303	\$ 14,758,138	\$ 14,645,366

MISCELLANEOUS.

DROPPING A BILL.—A little man named John Russell, was brought up yesterday before the magistrate at Bow street, charged by Mr. Bull with an attempt to inveigle him into the acceptance of a certain bill, which would have rendered him liable to the payment of 1*s.* in the pound on the whole annual amount of his income. Mr. Bull, it appears, is already responsible for a similar bill at 7*d.* in the pound, into accepting which, he said he had been swindled by the fraudulent representations of one Peel, not in custody.

Mr. Bull stated that he met the defendant (Russell) near Westminster Abbey; when he was persuaded by him to accompany him to a public house in the neighborhood, called "The Commons." Defendant and some parties supposed to be his confederates called for returns, and for measures, which appeared to be half-and-half. Some general talk ensued, when presently Russell said he had a sum to make up, and asked complainant what he would stand towards it? He (Mr. Bull) said that times were very bad just now; but he would see. They then had some conversation about the national defences; after which defendant proposed to him (Mr. Bull) to pull out his money. Complainant accordingly produced his purse, which contained some loose sovereigns, a bank note or two, and some silver; and expressed his willingness to accommodate defendant with as much as he could reasonably afford. Russell said that would not do, and requested him to accept a little bill, which he placed before him, telling him that it was only a matter of form, and that he had nothing to do but to put his name to it, and pay it when it became due.

To the proposal complainant demurred; when Russell made several artful representations, (since proved delusive,) to induce him to agree to it; and, finding these ineffectual, intimated that he must procure his signature by main force. He (Mr. Bull) then cried out lustily; upon which prisoner called to his companions, who surrounded him, and endeavored to stop his mouth. Had no doubt their intention was to "burke" him. But at this juncture a cry arose in the street, of "Police!" mingled with cheers and shouts of "A revolution in France!" One of the prisoner's associates then said, "It's no go, Johnny;" and another exclaimed, in an under tone, "There's a pressure from without." Upon this, Russell becoming alarm-

ed, let his bill drop, which was instantly seized by complainant. Mr. Bull here handed the document to the magistrate. Complainant added, that having succeeded in getting out of the house, he applied to a policeman, who subsequently took the prisoner into custody.

The magistrate asked the prisoner what he had to say for himself?

Russell, with great effrontery, contended that his conduct had been perfectly legal, and said that he was in the service of an illustrious lady, who would be put to great inconvenience by his detention.

The magistrate observed that after what had been proved against him, he had better take care or his mistress would certainly dismiss him from his situation. He would remand him, and in the mean time direct the police to keep a sharp look-out after his accomplices.

A MUNIFICENT DONATION.—We record, with sincere gratification, a donation by a citizen of Washington to the city of Georgetown, (the place of his birth,) for purposes truly rational, liberal and beneficent.

A message was transmitted (on Friday last) by the mayor to the boards of aldermen and common council of the city of Georgetown enclosing a communication from the counsel of Wm. W. Corcoran, Esq., transmitting an instrument of donation by Mr. Corcoran of ten thousand dollars, to be held in trust by the corporation of Georgetown for the benefit of the poor of his native town.

We learn this sum is to be invested so that the interest upon it be applied to two very worthy objects: the annual purchase, at summer prices, of wood to be distributed in winter to the poor of the town; and the other half to the benefit of the Orphan Asylum of the town.—*Nat. Int.*, May 3, 1848.

The Annual Report of the Commissioners of the General Land Office furnishes information of general interest, although it does not usually obtain the honor of publicity, to the same extent, as others of the annual reports of the various departments. The following abstract from the last report, furnishing particulars of the area of the states named, will be found useful for reference:—

Ohio	has an area of	25,361,593 acres.
Indiana	“	23,040,431 “
Illinois	“	35,325,209 “
Wisconsin	“	47,175,292 “
Michigan	“	38,426,294 “
Iowa	“	16,983,972 “
Missouri	“	39,838,171 “
Mississippi	“	30,153,054 “
Alabama	“	32,499,672 “
Arkansas	“	33,068,548 “
Louisiana	“	28,297,602 “
Florida	“	34,433,055 “

Wisconsin, it will be seen by this statement, is considerably the largest of all these states, having a surface more than twice as large as that of Indiana, and three times as large as that of Iowa, with, perhaps, less sterile or inferior land than any state in the Union—lying between lake Michigan and the Mississippi—and rapidly filling with an industrious population, it is destined to be a preponderating state in the Union.

The people have recently adopted a liberal constitution, and a bill is now before congress for her admission into the sisterhood of states.

In the two states first named, all the public lands have been surveyed, and the same is true of Illinois, Mississippi and Alabama, except some "few detached tracts."

PLAINFIELD BANK AFFAIRS.—As the chancery order allowing thirty days for exceptions to the master's report on the account of the receivers will expire towards the close of the month, they will then be prepared to make a dividend, unless some exceptions are interposed. The master reports, according to the State Gazette, that the receivers have received, as proceeds of the assets of the bank, \$45,402 67, and have paid for costs, counsel fees, charges and expenses \$2,218 97; leaving in their hands, the sum of \$43,183 70. There have been presented to them the bills of the bank to the amount of \$67,202 50; and other claims, including deposits, for \$917 66; amounting in the whole to \$68,120 16. The master awards the receivers, for their compensation \$3,600.

The capital stock of the bank, consisting of 2000 shares, was owned when the charter was repealed, by Moses Y. Beach, except fifteen shares owned by Nathan Vail, Nathaniel Compton and Asahel Beach. These fifteen shares were afterwards transferred to Moses Y. Beach, and the whole 2000 shares were subsequently transferred by him to Moses Y. Beach & Sons.—

Newark Adv.

THE REVENUE.—We learn that the receipts into the treasury from customs, notwithstanding the convulsions in Europe, continue to equal the most sanguine expectations of the friends of the tariff of 1846; the receipts for May, so far as returns have been received at the department, showing an increase over the corresponding period of last year.

Estimate of the secretary,	\$31,000,000 00
Received during three-quarters of fiscal year ending	
March 31,	25,868,503 07
Received during the month of April,	2,450,000 00
Received during the month of May, thus far,	1,053,954 55
	29,372,457 62
Balance,	1,627,542 38
	\$31,000,000 00

The amount for May embraces the receipts at eight ports for thirteen days, and four extreme southern ports for six days only; leaving the entire month of June and the greater part of May wherewith to swell the amount, which will probably reach at least \$32,000,000 for the fiscal year ending 30th June.

Union, May 20, 1848.

IMPORTS AT NEW YORK.—The value of merchandise imported and entered at this port excepting that sent to the warehouse, and the amount of duties received during the week ending on the 19th inst., in each of the three years, are as annexed:

	1846.	1847.	1848.
Free goods.....	204,694	52,782	214,049
Dutiable goods.....	1,021,457	893,320	1,200,802
Total merchandise.....	\$ 1,226,151	\$ 946,602	\$ 1,414,851
Specie.....	21,393	579,261	20,379
Duties received.....	830,744	207,769	303,069
Average rates of duty.....	32½	23¼	25½

BANK ITEMS.

MOBILE BANK.—A run on this institution took place on the 22d April last, but was promptly met by the officers, who continued to pay out specie till 5 o'clock in the evening, and until the demand for it had entirely ceased. The circulation of the bank in November last was \$2,300,000, and coin on hand \$1,100,000.

The banks of the city of London, on and after the 1st of May, will close at 4 P. M., instead of 5, which is the present closing hour. The "West-end banks have not yet assented to the change. All the banks have been hitherto open from 9 A. M. to 5 P. M.

BANK OF GERMANTOWN.—Charles Megarge, esq., has been elected president of the Bank of Germantown, Pa., in place of the late Samuel Harvey, esq. John F. Watson, esq., has resigned his place as cashier of the same institution, after nearly thirty-five years occupancy; and has been succeeded by Lloyd Mifflin, esq., late secretary of the Norristown Rail Road Company.

BOYLSTON BANK.—John J. Soren, esq., for twenty years teller of the Washington Bank, has been appointed cashier of the Boylston Bank, Boston, in place of Daniel M. B. Thaxter, resigned.

NEWARK BANKING AND INSURANCE COMPANY.—A sealed package was left by the president of this institution on board the Jersey City ferry-boat on the 3d May, on his return from New York to Newark, after making the usual exchanges. The package contained nearly \$20,000 of the bank's issues which had been redeemed at New York, and also a large number of checks. The whole of the bank notes contained in the parcel left by the president of the above named company on the Jersey ferry boat on the 3d May were recovered on Saturday night, being found at the residence of a colored woman named Mary Stewart living at Jersey City.

BANK FAILURES.—Since the publication of our May number, the following banks have suspended specie payment:

The Bank of Wooster, capital \$249,000, circulation \$498,000

The Erie Bank, Penn. " 101,895, " 241,000

The president of the Erie Bank has pledged his private property to secure the eventual redemption of the bills.

DEATHS.

At Fredericksburg, Va., on the 9th May, 1848, **WILLIAM J. ROBERTS**, esq., cashier of the Branch Bank of Virginia, at that place, in the 74th year of his age. Mr. Roberts had been cashier of this Branch ever since its establishment, and discharged the duties of the office with signal fidelity and ability.

At Buchanan, Va., on the 29th April, 1848, **JAMES L. WOODVILLE**, esq., president of the Branch Bank of Virginia at that place, aged 56 years.

At Germantown, Pa., in March last, **SAMUEL HARVEY**, Esq., president of the Bank of Germantown.

BANKS OF THE U. S., 1848.

MAINE.

Location.	Name of Bank.	President.	Cashier.	Capital.
Augusta,	Augusta Bank,	Thomas W. Smith,	George W. Allen,	110,000
"	Freeman's Bank,	Benjamin Davis,	William Caldwell,	50,000
"	Granite Bank,	William A. Brooks,	Silas Leonard,	75,000
Bangor,	*Bank of Bangor,	Samuel Veazie,	William S. Dennett,	
"	Eastern Bank,	Amos M. Roberts,	William H. Mills,	100,000
"	Kenduskeag Bank,	George W. Pickering,	Theodore S. Dodd,	100,000
"	Mercantile Bank,	Samuel Farrar,	John S. Ricker,	50,000
Belfast,	Belfast Bank,	Thomas Marshall,	N. H. Bradbury,	50,000
Bath,	Commercial Bank,	William D. Sewall,	Thomas Agry,	50,000
"	Lincoln Bank,	George F. Patten,	John Shaw,	125,000
"	Sagadahock Bank,	Thomas D. Robinson,	Daniel F. Baker,	50,000
Biddeford,	Biddeford Bank,	William P. Haines,	Seth S. Fairfield,	100,000
Brunswick,	Brunswick Bank,	Richard T. Dunlap,	Augustus C. Robbins,	75,000
Bloomfield,	Skowhegan Bank,	William Allen,	S. Philbrick,	75,000
Calais,	Calais Bank,	George Downes,	Joseph A. Lee,	50,000
Camden,	Megunticook Bank,	Joseph Jones,	Hiram Bass,	49,000
Eastport,	Frontier Bank,	Samuel Wheeler,	Edward Ilsley,	75,000
" Thomaston,	Lime Rock Bank,	Knott Crockett,	Ephraim M. Perry,	50,000
"	Thomaston Bank,	Richard Robinson,	John D. Barnard,	50,000
Gardiner,	*Franklin Bank,	Henry Bowman,	Hiram Stevens,	
"	Gardiner Bank,	Samuel C. Grant,	Joseph Adams,	100,000
Hallowell,	*Central Bank,	Calvin Spaulding,	Artemas Leonard,	50,000
"	Northern Bank,	John Agry,	J. Nutter,	75,000
Portland,	Bank of Cumberland,	William Moulton,	Samuel Small, Jr.,	100,000
"	Canal Bank,	Joshua B. Osgood,	Josiah B. Scott,	400,000
"	Casco Bank,	Eliphalet Greely,	John Chute,	300,000
"	Man. & Traders' B.,	Joshua Richardson,	Edward Gould,	75,000
"	Merchants' Bank,	William Woodbury,	Reuben Mitchell,	150,000
Saco,	Manufacturers' B.,	Josiah Calef,	Thos. W. Shannon,	100,000
"	York Bank,	Jonathan King,	Henry S. Thatcher,	75,000
South Berwick,	South Berwick Bank,	Wm. Allen Hayes,	Charles E. Norton,	75,000
Topsham,	Androscoggin Bank,	Charles Thompson,	John Coburn,	50,000
Waldoboro,	Medomack Bank,	James Hovey,	George Allen,	50,000
Waterville,	Ticonic Bank,	Timothy Boutelle,	Augustine Perkins,	75,000
Westbrook,	*Bk. of Westbrook,	Samuel Jordan,	Albert G. Fobes,	50,000
Wiscasset,	Mariners' Bank,	Henry Clark,	S. P. Baker,	50,000

*Charter expired. 32 Banks. Circulation \$2,536,000. Specie \$260,000. Total, \$2,959,000

NEW HAMPSHIRE.

Charlestown,	Connecticut River B.	John W. Tappan,	George Olcott,	60,000
Concord,	Mechanics' Bank,	Joseph M. Harper,	George Minot,	100,000
"	Merrimac County	Francis N. Fisk,	Ebenczer S. Towle,	80,000
Derry,	Derry Bank,	Alanson Tucker,	James Thom,	100,000
Dover,	Dover Bank,	Joseph H. Smith,	Andrew Peirce,	75,000
"	Strafford Bank,	William Woodman,	Asa A. Tufts,	100,000
Exeter,	Granite Bank,	James Bell,	James Burley,	100,000
Keene,	Ashuelot Bank,	Samuel Dinsmore,	Thos. H. Leverett,	100,000
"	Cheshire Bank,	John Elliot,	Zebina Newell,	100,000
Lancaster,	Lancaster Bank,	Royal Joslyn,	George A. Cossitt,	50,000
Lebanon,	Bank of Lebanon,	Robert Kimball,	James H. Kendrick,	100,000
Merideth,	Belknap County,	Warren Lovell,	John T. Coffin,	50,000
Manchester,	Manchester Bank,	James U. Parker,	Nathan Parker,	75,000
New Ipswich,	Manufacturers' B.	Jonas M. Melville,	George Barrett,	100,000
Nashua,	Nashua Bank,	Isaac Spaulding,	John M. Hunt,	100,000
Portsmouth,	Mechanics & Tr'ds'	Richard Jenness,	James F. Shores,	100,000
"	Piscataqua Ex.,	Wm. H. Y. Hackett,	Samuel Lord,	200,000
"	Rockingham Bank,	Jonathan M. Tredick,	Jacob S. Pickering,	100,000
Rochester,	Rochester Bank,	Simon Chase,	John McDuffie, Jr.,	100,000
Somersworth,	Great Falls Bank,	Joseph Doe,	David H. Buffum,	100,000

Total 20 Banks. Circulation \$1,512,000. Specie, \$144,000. Total, \$1,800,000

VERMONT.

Location.	Name of Bank.	President.	Cashier.	Capital.
Brattleboro,	Bank of Brattleboro,	E. Seymour,	Horatio S. Noyes,	75,000
Burlington,	Bank of Burlington,	E. T. Englesby,	Richard G. Cole,	150,000
"	Farmers & Mechan.	John Peck,	C. F. Warner,	105,000
Chelsea,	Orange Co. Bank,	Lement Bacon,	E. C. Redington,	50,000
Danville,	Bank of Caledonia,	George B. Chandler,	John A. Page,	50,000
Irasburg,	Bank of Orleans Co.,	Ira H. Allen,	George C. West,	30,000
Manchester,	Bank of Manchester,	Milton Browne,	William P. Black,	70,000
Middlebury,	Bank of Middlebury,	Parris Fletcher,	Joseph Warner,	75,000
Montpelier,	Bank of Montpelier,	Rowsel R. Keith,	George Howes,	100,000
Orwell,	Farmers' Bank,	A. L. Catlin,	Wm. B. Martin,	92,190
Poultney,	Bank of Poultney,	Marcus G. Langdon,	Merritt Clark,	50,000
Proctorsville,	Bank of Black River,	E. F. Parker,	Daniel A. Heald,	40,000
Rutland,	Bank of Rutland,	George T. Hodges,	W. Page,	100,000
Rockingham,	Bellows Falls Bank,	N. Fullerton,	James H. Williams,	50,000
St. Albans,	Bank of St. Albans,	Lawrence Brainerd,	Abel Houghton,	50,000
Vergennes,	Bank of Vergennes,	Fordyce Huntington,	Isaiah Scott,	100,000
Wells River,	Bank of Newbury,	Timothy Shedd,	Oscar Cutler Hale,	50,000
Woodstock,	Bank of Woodstock,	O. P. Chandler,	Eliakim Johnson,	60,000

Total 18 Banks. Circulation \$ 1,400,000. Specie, \$ 296,000. Total, \$ 1,297,190

MASSACHUSETTS.

Andover,	Andover Bank,	Samuel Farrar,	Francis Cogswell,	250,000
Attleborough,	Attleborough Bank,	S. Carpenter,	E. Fuller,	100,000
Beverly,	Beverly Bank,	A. Thorndike,	Robert G. Bennett,	125,000
Brighton,	Bank of Brighton,	E. Sparhawk,	Life Baldwin,	200,000
Charlestown,	Bunker Hill Bank,	David Devens,	Thomas Marshall,	150,000
Cambridge,	Cambridge Bank,	Thos. Whittemore,	Martin Lane,	100,000
"	Charles River Bank,	Charles C. Little,	John B. Dana,	100,000
Canton,	Neponset Bank,	James Dunbar,	F. W. Deane,	100,000
Concord,	Concord Bank,	Daniel Shattuck,	John M. Cheney,	100,000
Danvers,	Danvers Bank,	Ebenezer Shillaber,	George A. Osborne,	150,000
"	Village Bank,	Moses Putnam,	Wm. L. Weston,	120,000
"	Warren Bank,	Elijah W. Upton,	Francis Baker,	120,000
Dorchester,	Dorchester & Milton	Moses Whitney,	Joseph L. Hammond,	100,000
Dedham,	Dedham Bank,	Jeremy Stimson,	L. H. Kingsbury,	150,000
Fairhaven,	Fairhaven Bank,	Ezekiel Sawin,	Reuben Nye,	200,000
Falmouth,	Falmouth Bank,	John Jenkins,	Samuel P. Bourne,	100,000
Fall River,	Fall River Bank,	David Anthony,	Henry Hudson Fish,	300,000
"	Massasoit Bank,	J. H. Archer,	Leander Borden,	100,000
Framingham,	Framingham Bank,	Oliver Dean,	Rufus Brewer,	150,000
Fitchburg,	Fitchburg Bank,	Francis Perkins,	Eben Torrey,	150,000
Gloucester,	Gloucester Bank,	Isaac Somes,	John J. Babson,	200,000
Georgetown,	Manufacturers' B.	Benjamin Little,	George Foot,	100,000
Greenfield,	Greenfield Bank,	Henry W. Clapp,	Franklin Ripley,	150,000
G. Barrington,	Mahawie Bank,	Wilbur Curtis,	Henry Hooker,	
Haverhill,	Haverhill Bank,	Hazen Morse,	James Gale,	100,000
"	Merrimac Bank,	James H. Duncan,	Eleazer A. Porter,	180,000
Hingham,	Hingham Bank,	Nathaniel Richards,	John O. Lovett,	105,000
Lawrence,	Bay State Bank,	C. S. Storrow,	Nathaniel White,	100,000
Lancaster,	Lancaster Bank,	Jacob Fisher,	C. T. Symmes,	125,000
Leicester,	Leicester Bank,	Cheney Hatch,	Daniel E. Merriam,	100,000
Lee,	Lee Bank,	Leonard Church,	Thomas Green,	100,000
Lynn,	Lynn Mechanics' B.	Isaiah Breed,	James Oliver,	150,000
Lowell,	Lowell Bank,	Nathaniel Wright,	David Hyde,	200,000
"	Appleton Bank,	John A. Knowles,	John A. Buttrick,	94,500
"	Rail Road Bank,	Benjamin F. French,	S. W. Stickney,	600,000
Marblehead,	Grand Bank,	J. Chamberlain,	J. P. Turner,	100,000
"	Marblehead Bank,	John Hooper,	S. S. Trefry,	120,000
Millbury,	Millbury Bank,	Simon Farnsworth,	John Prentiss,	50,000
North Adams,	Adams Bank,	Duty S. Tyler,	W. E. Brayton,	100,000
Northampton,	Northampton Bank,	Eliphalet Williams,	Josiah D. Whitney,	200,000

<i>Location.</i>	<i>Name of Bank.</i>	<i>President</i>	<i>Cashier.</i>	<i>Capital.</i>
Nantucket,	Pacific Bank,	Fred. W. Mitchell,	William Mitchell,	200,000
Newburyport,	Mechanics' Bank,	Eleazar Johnson,	John Andrews,	200,000
"	Merchants' Bank,	Henry Johnson,	Samuel Mulliken,	210,000
"	Ocean Bank,	William Stone,	Jacob Stone,	100,000
New Bedford,	Bedford Commercial	George Howland,	Thomas B. White,	400,000
"	Marine Bank,	Joseph Grinnell,	John P. Barker,	300,000
"	Mechanics' Bank,	Wm. R. Rodman,	Joseph Congdon,	200,000
"	Merchants' Bank,	John Avery Parker,	James B. Congdon,	400,000
Oxford,	Oxford Bank,	Alexander De Witt,	Alvan G. Underwood,	100,000
Pawtucket,	Pawtucket Bank,	J. C. Starkweather,	Amos A. Tillinghast,	100,000
Pittsfield,	Agricultural Bank,	E. A. Newton,	Ezekiel R. Colt,	150,000
Plymouth,	Old Colony Bank,	John B. Thomas,	Schuyler Sampson,	100,000
"	Plymouth Bank,	Nathaniel M. Davis,	Isaac N. Stoddard,	100,000
Quincy,	Quincy Stone Bank,	Lemuel Brackett,	Ibrahim Bartlett,	100,000
Randolph,	Randolph Bank,	Royal Turner,	Seth Turner,	150,000
Roxbury,	People's Bank,	Samuel Guild,	Baman Stone,	100,000
Salem,	Asiatic Bank,	N. W. Neal,	William H. Foster,	200,000
"	Commercial Bank,	William Sutton,	Edward H. Payson,	200,000
"	Exchange Bank,	Gideon Tucker,	J. Chadwick,	200,000
"	Mercantile Bank,	David Putnam,	S. Webb,	200,000
"	Merchants' Bank,	J. W. Treadwell,	F. H. Silsbee,	200,000
"	Naumkeag Bank,	David Pingree,	Joseph G. Sprague,	500,000
"	Salem Bank,	George Peabody,	C. M. Endicott,	250,000
Salisbury,	Powow River Bank,	Seth Clark,	J. B. Webster,	100,000
Southbridge,	Southbridge Bank,	Sam'l A. Hitchcock,	Samuel M. Lane,	100,000
Stockbridge,	Housatonic Bank,	Wm. P. Walker,	J. D. Adams,	100,000
Springfield,	Agawam Bank,	Chester W. Chapin,	Frederick S. Bailey,	100,000
"	Chicopee Bank,	Samuel Reynolds,	Benjamin F. Warner,	200,000
"	Springfield Bank,	John Howard,	Lewis Warriner,	250,000
"	Cabot Bank,	John Chase,	Gilbert Walker,	150,000
Taunton	Bristol County B.	Wm. A. Crocker,	W. Muenschner,	200,000
"	Taunton Bank,	S. Rhodes, Jr.	Charles J. H. Bassett,	200,000
"	Machinists' Bank,	William Mason,	E. R. Anthony,	50,000
Uxbridge	Blackstone Bank,		Eben'r W. Hayward,	100,000
Ware,	Hampshire Manuf.	Joseph Bowman,	William Hyde,	150,000
Wareham,	Wareham Bank,	Peter Mackie,	Thomas R. Mills,	100,000
Waltham,	Waltham Bank,	Charles Bemis,	Nathaniel Maynard,	100,000
Weymouth,	Union B. Weymouth	Benjamin King,	George M. Bartlett,	100,000
Worcester,	Central Bank,	Thomas Kinnicut,	William Dickinson,	100,000
"	Citizens' Bank,	Francis T. Merrick,	George A. Trumbull,	150,000
"	Quinsigamond Bank,	William Jennison,	Charles A. Hamilton,	100,000
"	Worcester Bank,	Stephen Salisbury,	William Cross,	200,000
Wrentham,	Wrentham Bank,	John Tift,	Calvin Fisher, Jr.	150,000
Westfield,	Hampden Bank,	A. Post,	R. Weller,	100,000
Yarmouth,	Barnstable Bank,	Isaiah Crowell,	Amos Otis,	150,000
83 Banks. Circulation \$ 10,988,000. Specie \$ 658,000. Capital \$ 13,249,500				

Boston.

<i>Chartered.</i>	<i>Name of Bank.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
March, 1833,	Atlas Bank,	Samuel C. Gray,	Joseph White,	500,000
Feb'y, 1828,	Atlantic Bank,	Pliny Cutler,	Benjamin Dodd,	500,000
June, 1812,	Boston Bank,	Robert Hooper,	James C. Wild,	900,000
March, 1845,	Boylston Bank	William Parker,	D. McB. Thaxter,	150,000
Feb'y, 1822,	City Bank,	C. W. Cartwright	John E. Williams,	1,000,000
"	Columbian Bank,	John G. Torrey,	William Coffin,	500,000
"	Eagle Bank,	Titus Wells,	Waldo Flint,	500,000
April, 1847,	Exchange Bank,	George W. Thayer,	Joseph M. Marsh,	383,650
April, 1836,	Freeman's Bank,	Solomon Piper,	Jeremy Drake,	200,000
June, 1824,	Globe Bank,	Ignatius Sargent,	Charles Sprague,	1,000,000
March, 1832,	Granite Bank,	George Denny,	Archibald Foster,	500,000
" 1828,	Hamilton Bank,	Daniel Denny,	Otis Turner,	500,000
" 1784,	Massachusetts Bk.	J. J. Dixwell,	James Dodd,	800,000

<i>Chartered.</i>	<i>Name of Bank.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
March, 1832,	Market Bank,	Josiah Stickney,	Jonathan Brown, Jr.	560,000
" 1836,	Mechanics' Bank,	James W. Converse,	Alvan Simonds,	120,000
Feb'y, 1828,	Merchants' Bank,	Franklin Haven,	John J. May,	3,000,000
June, 1813,	New England Bank,	Thomas Lamb,	Elijah P. Clark,	1,000,000
" 1825,	North Bank,	James Harris,	John J. Loring,	750,000
April, 1836,	Shawmut Bank,	Benjamin T. Reed,	Stephen G. Davis,	500,000
"	Shoe & Leather D.	Enoch Baldwin,	Samuel Carr,	500,000
June, 1811,	State Bank,	Sam'l Frothingham,	Jonathan Call,	1,500,000
Feb'y, 1818,	Suffolk Bank,	Henry B. Stone,	Isaac C. Brewer,	1,000,000
March, 1831,	Traders' Bank,	Isaac Parker,	Jeremiah Gore,	400,000
Feb'y, 1814,	Tremont Bank,	Andrew T. Hall,	A. T. Frothingham,	500,000
June, 1812,	Union Bank,	Chester Adams,	Lemuel Gulliver,	800,000
Feb'y, 1825,	Washington Bank,	Aaron Baldwin,	Daniel A. Sigourney,	500,000

26 Banks. Circulation \$ 7,208,000. Specie \$ 3,286,000. Capital \$ 18,863,650

CONNECTICUT.

<i>Location.</i>	<i>Name of Bank.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
Brooklyn,	Windham Co. Bank,	Joseph Eaton,	Adams White,	62,700
Bridgeport,	Bridgeport Bank,	Sylvanus Sterling,	George Burroughs,	210,000
"	Connecticut Bank,	Daniel Thatcher,	Charles Foote,	269,700
Danbury,	Danbury Bank,	Samuel Tweedy,	Aaron Seeley,	89,500
East Haddam,	East Haddam Bank,	John C. Palmer,	Thos. C. Boardman,	66,080
Falls Village,	Iron Bank,	William H. Walton,	R. M. S. Pease,	100,000
Hartford,	Conn. River B. Co.	William H. Imlay,	Edwin Spencer,	250,000
"	Exchange Bank,	Roderick Terry,	Elisha Colt,	525,000
"	Farm. & Mechanics'	Horace Goodwin,	William T. Hooker,	539,900
"	Hartford Bank,	David F. Robinson,	Henry A. Perkins,	1,134,600
"	Phenix B. of Hartfd	George Beach,	John L. Bunce,	1,283,000
Jewett City,	Jewett City Bank,	David Smith,	John Johnson,	44,000
Meriden,	Meriden Bank,	Walter Booth,	J. Alexander Butler,	150,000
Middletown,	Middlesex Co. Bank,	Charles R. Sebor,	William S. Camp,	220,900
"	Middletown Bank,	John H. Watkins,	F. L. Gleason,	369,300
Mystic,	Mystic Bank,	Elisha Faxon,	George W. Noyes,	51,700
New Haven,	City B. New Haven,	Ezra C. Read,	Stephen D. Pardee,	500,000
"	Mechanics' Bank,	John Fitch,	John W. Fitch,	300,000
"	New Haven Bank,	Hervey S. Sanford,	Amos Townsend, Jr.	364,800
"	New Haven Co. B.,	Henry Hotchkiss,	Ransom Burritt,	513,975
New London,	New London Bank,	E. Chappell,	Elijah F. Dutton,	150,875
"	Union Bank,	Jonathan Starr,	Joseph C. Sistare,	100,000
"	Whaling Bank,	Peter C. Turner,	Joseph C. Douglass,	163,450
Norwalk,	Fairfield County B.	Algernon E. Beard,	Thomas Warner, Jr.	100,000
Norwich,	Merchants' Bank,	William Williams,	Joel W. White,	156,541
"	Norwich Bank,	Charles Johnson,	Frank Johnson,	210,000
"	Quinnebaug Bank,	Samuel C. Morgan,	E. H. Learned,	250,000
"	Thames Bank,	Edward Whiting,	Lyman Brewer,	209,900
Stamford,	Stamford Bank,	John W. Leeds,	Samuel K. Satterlee,	60,000
Stonington,	Stonington Bank,	Ephraim Williams,	Francis Amy,	59,650
Thompson,	Thompson Bank,	Talcott Crosby,	Joseph B. Gay,	60,000
Tolland,	Tolland Co. Bank,	John H. Brockway,	Jonathan R. Flynt,	80,200
Windham,	Windham Bank,	John Baldwin,	Samuel Bingham,	59,971

33 Banks, Circulation, \$ 4,437,631. Specie, \$ 462,165. Total, \$ 8,705,742

RHODE ISLAND.

<i>Location.</i>	<i>Name of Bank.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
Bristol,	Bank of Bristol,	Mark A. D'Wolf,	Martin Bennett,	150,000
"	Commercial Bank,	Jacob Babbitt,	John F. Baars,	75,000
"	Eagle B. of Bristol,	Robert Rogers,	J. E. French,	50,000
"	Freeman's Bank,	Nathaniel Bullock,	L. C. Richmond,	65,000
Chepachet,	Franklin Bank,	Job Armstrong,	A. A. Eddy,	38,000
Coventry,	Bank of Kent,	Peleg Wilbur,	Anthony Tarbox,	30,000

Location.	Name of Bank.	President.	Cashier.	Capital.
Cranston,	Cranston Bank,	Joseph Harris,	Ambrose B. Bailey,	25,000
Cumberland,	Cumberland Bank,	Davis Cook,	George Cook,	75,000
"	Woonsocket Falls B.	Dexter Ballou,	William Metcalf,	100,000
Exeter,	Exeter Bank,	C. C. Greene,	Thomas Phillips,	21,330
E. Greenwich,	Rhode I. Central B.	William Reynolds,	Lemuel Burge,	81,960
Foster,	Mount Vernon Bank,	Samuel Tillinghast,	R. G. Place,	60,000
Newport,	Bank of Rhode I.	Peleg Clarke,	Win. Audley Clarke,	100,000
"	Merchants' Bank,	Isaac Gould,	Charles Giles,	100,000
"	New England Com.	George Bowen,	George T. Weaver,	75,000
"	Newport Bank,	William Vernon,	Stephen Cahoon,	120,000
"	Newport Exchange	Nathan Hammett,	John Sterne,	60,000
"	R. I. Union Bank,	Charles Devens,	Robert P. Lee,	165,000
"	Traders' Bank,	Edwin Wilbur,	Benjamin Mumford,	60,000
N. Providence,	N. E. Pacific Bank,	Joseph Metcalf,	S. Cook,	105,550
"	North Providence B.	G. L. Spencer,	John C. Tower,	81,250
"	People's Bank,	C. F. Manchester,	J. S. Tourtellot,	50,000
N. Scituate,	Citizens' Union B.	Asahel Harris,	Charles T. Eddy,	40,000
N. Kingston,	Narragansett Bank,	Ezra D. Davis,	Nicholas N. Spink,	50,000
"	North Kingston B.	John Reynolds,	Pardon T. Hammond	75,000
S. Kingston,	Landholders' Bank,	Elisha R. Potter,	Thomas R. Wells,	100,000
Smithfield,	Globe Bank,	Spencer Mowry,	S. Newton,	50,000
"	Smithfield Exchange	Owen Battey,	William Winsor,	45,000
"	" Union Bank,	John Osborne,	E. T. Read,	60,000
"	Village Bank,	William S. Slater,	William H. Seagrave	50,000
Tiverton,	Fall River Union B.	Nathaniel B. Borden,	William Coggeshall,	199,512
Warren,	Hope Bank,	J. Smith,	T. C. Williams,	125,000
"	Warren Bank,	Nathan M. Whenton	George W. Carr,	135,000
Warwick,	Centreville Bank,	John Green,	Moses Fifield,	50,000
"	Warwick Bank,	William D. Brayton,	J. Westcott,	25,000
Wakefield,	Wakefield Bank,	Sylvester Robinson,	Thomas P. Wells,	50,000
Westerly,	Phoenix Bank,	R. Babcock,	Ethan Foster,	89,400
"	Washington Bank,	Nathan F. Dixon,	Charles Perry,	150,000
Providence	American Bank,	Henry P. Franklin,	S. K. Rathbone,	510,250
"	Arcade Bank,	Paris Hill,	Joseph Hodges,	500,000
"	Bank of N. America,	Elisha Harris,	H. E. Hudson,	422,100
"	Blackstone Canal B.	John Carter Brown,	Daniel W. Vaughan,	437,425
"	City Bank,	Amos C. Barstow,	Henry Earle,	200,000
"	Commercial Bank,	Richmond Bullock,	David Andrews,	326,950
"	Eagle Bank,	Benjamin D. Weeden	Stephen S. Wardwell	400,950
"	Exchange Bank,	Benjamin Aborn,	Henry G. Gladding,	500,000
"	Globe Bank,	William Sprague,	John L. Noyes,	409,200
"	High street Bank,	Robert Knight,	James E. Butts,	120,000
"	Manufacturers' B.	Thomas Harkness,	William S. Patten,	453,100
"	Mechanics' Bank,	Amasa Manton,	John A. Field,	500,000
"	M. & Man. Bank,	S. G. Martin,	Albert W. Snow,	186,150
"	Merchants' Bank,	Wm. Richmond, 2d,	William B. Burdick,	500,000
"	National Bank,	George W. Hallett,	Ezra Bourn,	120,000
"	Pawtuxet Bank,	Christopher Rhodes,	T. R. Green,	118,387
"	Phoenix Bank,	Samuel B. Wheaton,	Benjamin White,	200,000
"	Providence Bank,	Moses B. Ives,	C. L. Bowler,	500,000
"	Roger Williams' B.	Nehemiah R. Knight	Nathaniel Smith,	499,950
"	Traders' Bank,	Earl Carpenter,	Henry A. Webb,	200,000
"	Union Bank,	Elisha Dyer,	J. B. Hoskins,	500,000
"	Weybosset Bank,	William Rhodes,	Luke Green,	336,050
"	Smithfield L. Rock,	George Olney,	George L. Barnes,	100,100

62 Banks. Circulation \$2,842,000. Specie \$325,000. Capital \$11,023,515

NEW YORK.

Adams,	Hungerford Bank,	S. D. Hungerford,	10,000
Alexander,	Exchange B. of G.	Van Rens. Hawkins,	100,075
Albany,	Albany City Bank,	Erastus Corning,	500,000
"	Albany Exchange B.	George W. Stanton,	311,100

Location.	Name of Bank.	President.	Cashier.	Capital
Albany,	Bank of Albany,	J. H. Tencyck,	Jellis Winne, Jr.	240,000
"	Canal B. of Albany,	John Keyes Paige,	Theodore Olcott,	300,000
"	Commercial Bank,	John Townsend,	James Taylor,	300,000
"	Mech. & Farmers'	Thomas W. Olcott,	Edw'd E. Kendrick,	442,000
"	N. Y. State Bank,	Rufus H. King,	Josiah B. Plumb,	369,600
Albion,	Bank of Albion,	Roswell S. Burrows,	Lorenzo Burrows,	73,345
"	Bank of Orleans,	Alexis Ward,	Thomas S. Clarke,	200,000
Auburn,	Bank of Auburn,	George F. Leitch,	James S. Seymour,	200,000
"	Cayuga County Bank	Nelson Beardsley,	Josiah N. Starin,	250,000
Amsterdam,	Farmers' Bank,	Cornelius Miller,	Nathan P. Wells,	100,000
Bainbridge,	Bank of Bainbridge,	L. Bigelow,	C. Chandler,	5,000
Ballston Spa,	Ballston Spa Bank,	James M. Cook,	Isaac Fowler,	125,000
Bath,	Steuben County B.,	Wm. W. McCay,	John Magee,	150,000
Binghampton,	Broome County B.,	Cyrus Strong,	Tracy R. Morgan,	100,000
Buffalo,	Bank of Attica,	Gains B. Rich,	Andrew Jackson Rich,	50,000
"	Exchange Bank,	Robert Codd,	A. Holliston,	
"	Farmers & Drovers'	James H. Earle,	Riley Saunders,	
"	Mer. B. of Erie Co.,	M. Perry,	J. L. Haines,	5,000
"	Oliver Lee & Co's B.	J. T. Hatch,	Francis H. Tows,	155,000
"	Patchin Bank,	Aaron D. Patchin,	Thaddeus W. Patchin,	100,000
"	White's B. of Buffalo	George C. White,	William Williams,	40,000
"	Pratt Bank,	E. N. Pratt,	Thaddeus P. Sears,	
Brooklyn,	Atlantic Bank,	Daniel Embury,	J. S. Doughty,	500,000
"	Brooklyn Bank,	W. J. Cornell,	Abraham Halsey,	100,000
"	Long Island Bank,	L. Lefferts,	George S. Sampson,	300,000
Batavia,	Bank Genesee,	Phineas L. Tracy,	Jonathan E. Robinson,	100,000
"	Farm. & Mech. B.	John S. Ganson,	John M. Ganson,	40,456
Brasher Falls,	Northern Exchange	C. T. Hubbard,	E. N. Hinsdale,	5,000
Canandaigua,	B. of Utica (branch)	Charles Seymour,	Henry K. Sanger,	150,000
"	Merchants' Bank,		W. Blossom,	9,900
"	Ontario Bank,	John Greig,	Henry B. Gibson,	200,000
Catskill,	Catskill Bank,	Thomas B. Cook,	Hiland Hill, Jr.	150,000
"	Tanners' Bank,	Orrin Day,	Frederick Hill,	100,000
Cazenovia,	Madison County B.	Jacob Ten Eyck,	T. W. Seward,	100,000
Cooperstown,	Otsego County Bank,	Robert Campbell,	Henry Scott,	100,000
Corning,	Bank of Corning,	H. W. Bostwick,	L. Mallory,	104,500
Clinton,	Kirkland Bank,	A. G. Gridley,	Frederick Gridley,	50,000
Carmel,	Merchants' & Farm.	Samuel Washburn,	Edgar Washburn,	115,000
Cherry Valley,	Central Bank,	David H. Little,	Horatio J. Olcott,	120,000
Clymer,	Atlas Bank,	J. F. Gleason,	C. Tuberta,	10,000
Chester,	Chester Bank,	James Wheeler,	Alexander Wright,	100,400
Dansville,	Bank of Dansville,	Lester Bradner,	Lauren C. Woodruff,	150,250
Delhi,	Delaware Bank,	Herman D. Gould,	John W. Sherwood,	114,600
Durham,	N. Y. Stock Bank,	Platt Adams,	G. S. Adams,	10,000
Ellery,	Merchants' Bank,	O. Benedict,	T. Edmonds, Jr.	10,000
Elmira,	Chemung Canal B.	Charles Cook,	John Arnot,	200,000
Ellenburg,	Champlain Bank,	J. B. McLane,	M. Hale,	5,000
French Creek,	Franklin Bank,	W. H. Jones,		5,000
Fort Plain,	Fort Plain Bank,	Joshua Webster,	Isaiah C. Babcock,	100,000
Friendship,	Commercial Bank,	L. Stowell,	A. Taylor,	5,000
Geneva,	Farmers' Bank,		O. K. Strong,	
"	Bank of Geneva,	Charles A. Cook,	E. Dwight,	400,000
Gothen,	Bank of Orange Co.,	A. S. Murray,	Thomas P. Reeve,	105,660
Genesee,	Livingston County B.	Allen Ayrault,	Ephraim Cone,	100,000
Greenwich,	Washington Co. B.	Henry Holmes,	Edwin Andrews,	102,600
Herkimer,	Agricultural Bank,	C. T. E. Van Horn,	Harvey Doolittle,	100,800
Hudson,	Farmers' B. Hudson,	Elihu Gifford,	Henry Jenkins,	136,050
"	Hudson River Bank,	Oliver Wiswall,	Cary Murdock,	150,000
Ithaca,	Bank of Ithaca,	Wm. Randall,	William B. Douglas,	200,000
"	Merchants' & Farm.	T. S. Williams,	J. B. Williams,	50,000
"	Tompkins' Co. Bk.	Herman Camp,	Nathan T. Williams,	250,000
Jamestown,	Chautauque Co. B.	Samuel Barrett,	Robert Newland,	100,000
Jamesville,	James Bank,	J. W. James,	A. D. Grinnell,	74,925
Johnstown,	Montgomery Co. B.	James W. Miller,	Edward Wells,	100,000
Johnsburg,	Warren County B.	L. B. Barnes,	W. W. Watson,	189,540

Location.	Name of Bank.	President	Cashier.	Capital.
Kinderhook,	Bank of Kinderhook,	John P. Beekman,	Covington Guion,	125,000
Keeseville,	Essex County Bank,	Silas Arnold,	Andrew Thompson,	100,000
Kingston,	Kingston Bank,	Joseph S. Smith,	William F. Romer,	200,000
"	Ulster County Bank,	Cornelius Bruyn,	James S. Evans,	100,000
Leedsville,	Amenia Bank,	Ira Wilcox,	J. D. Hunt,	10,000
Lansingburgh,	B. of Lansingburgh,	John S. Fake,	Pliny M. Corbin,	120,000
Lowville,	Bank of Lowville,	Isaac W. Bostwick,	James L. Leonard,	102,450
Lockport,	Canal Bank,	Wm. O. Brown,	George W. Rogers,	
"	Exchange Bank,	Henry Harvey,	William F. Rogers,	40,000
"	Lockport B. & T. Co.	Washington Hunt,	George W. Germain,	300,000
"	Commercial Bank,	S. P. Stokes,		25,000
Leroy,	Genesee County B.	John Leut,	Miles P. Lampson,	100,000
Little Falls,	Herkimer County B.	Henry P. Alexander,	Albert G. Story,	200,000
Malone,	Franklin County B.			10,000
Mayville,	American Bank,	W. Green,		5,000
Middletown,	Middletown Bank,	J. Davis,	William M. Graham,	90,800
Martinsburg,	Lewis County Bank,	Isaac W. Bostwick,	Lyman R. Lyon,	100,000
Mohawk,	Mohawk Valley B.	Charles Wightman,	F. E. Spinner,	100,500
Madrid,	Northern B. of N. Y.	James Horton,	A. Greenleaf,	10,000
Mina,	Farmers' Bank,			5,000
Newburgh,	Bank of Newburgh,	John Chambers,	George M. Kerr,	140,000
"	Highland Bank,	George Cornwell,	Alfred Post,	200,000
"	Powell Bank,	Samuel Williams,	Thomas C. Ring,	79,000
Norwich,	Bank of Chenango,	Ira Wilcox,	Walter M. Conkey,	120,000
New Rochelle,	B. of New Rochelle,			5,000
Ogdensburgh,	Farm. & Mechanics,	S. Gilbert,	J. T. Vanderhoof,	100,000
Owego,	Bank of Owego,	William Pumpelly,	James Wright,	200,000
Oswego,	Luther Wright's B.	Luther Wright,	S. H. Lathrop,	160,000
Ogdensburgh,	Ogdensburgh Bank,	James Averill,	John D. Judson,	100,000
Olean,	Drovers' Bank,	George W. Smith,	John L. Harris,	5,000
Palmyra,	Cuyler's Bank,	George W. Cuyler,		10,000
"	Palmyra Bank,	Pliny Sexton,		8,000
Peekskill,	Westchester County	Pierre V. Cortlandt,	Isaac Seymour,	200,000
Penn-Yann,	Yates County Bank,	Asa Cole,	William M. Oliver,	100,000
Pine Plains,	Pine Plains Bank,	R. W. Bostwick,	John F. Hall,	100,000
Prattsville,	Prattsville Bank,	Zadock Pratt,	John Hopkins,	100,000
Poughkeepsie,	Farmers & Manuf.	William A. Davies,	Frederick W. Davis,	300,000
"	Merchants' B. Pough	Matthew I. Myers,	James H. Fonda,	150,000
"	B. of Poughkeepsie,	Thomas L. Davis,	Reuben North,	100,000
Rochester,	Bank of Monroe,	Jas. K. Livingston,	Ralph Lester,	300,000
"	Rochester Bank,	Freeman Clark,	P. W. Handy,	100,000
"	Commercial Bank,	Asa Sprague,	George R. Clark,	329,000
"	Farm. & Mechan. B.	A. G. Smith,	E. Huntington,	30,000
"	Rochester City B.	Thos. H. Rochester,	Christoph. T. Amsden,	400,000
Rome,	Bank of Rome,	John Stryker,	George R. Thomas,	100,000
"	Fort Stannix Bank,	Daniel Utley,		110,000
Saugerties,	State B. of Saugerties	R. N. Isaacs,		10,000
Sag Har., L. I.	Suffolk County B.	Wm. Adams,	John Hand,	10,000
Schenectady,	Mohawk Bank,	John I. Degraff,	William B. Walton,	165,000
"	Schenectady Bank,	Jay Cady,	William L. Goodrich,	150,000
Salina,	Bank of Salina,	D. Monroe,	Miles W. Bennet,	150,000
Silver Creek,	B. of Silver Creek,	C. C. Swift,	George W. Tew,	92,850
Somers,	Farm. & Drovers' B.	Horace Bailey,	Egbert Howland,	111,150
Syracuse,	Bank of Syracuse,	John Wilkinson,	Horace White,	
"	Onondaga County B.	Oliver Teal,	Hamilton White,	150,000
Sacketts Har.	Sacketts Harbour B.	Eldridge G. Merrick,	Jesse C. Dann,	200,000
Saratoga,	B. Saratoga Springs,	Thomas I. Marvin,	James M. Marvin,	60,000
Troy,	Bank of Troy,	Stephen Warren,	John Paine,	440,000
"	Commercial Bank,	Stephen W. Dana,	Frederick Leake,	157,500
"	Farmers' B. of Troy,	Jas. V. Schoonhoven,	Philander Wells,	278,000
"	Merchants & Mech.	George Vail,	Charles S. Douglass,	300,000
"	Troy City Bank,	George B. Warren,	Silas K. Stow,	300,000
Utica,	B. of Central N. Y.	Anson Thomas,	T. Ossian Grannis,	110,200
"	Bank of Utica,	Thomas Walker,	William B. Welles,	450,000
"	Oneida Bank,	Alfred Munson,	B. B. Lansing,	400,000

Location	Name of Bank.	President.	Cashier.	Capital
Utica,	Ontario B., Branch,	A. B. Johnson,	Thomas Rockwell,	300,000
Unadilla,	Unadilla Bank,	A. B. Watson,	C. I. Hayes,	111,600
Vernon,	Bank of Vernon,	John I. Knox,	Theodore F. Hand,	76,100
Waterville,	Bank of Waterville,	Julius Cander,	Daniel B. Goodwin,	100,000
Watertown,	Bank of Watertown,	John L. Goldsmid,	Benjamin Corey,	
"	Black River Bank,	Lovland Paddock,	Horatio G. Gilbert,	50,000
"	Jefferson County B.	Norris M. Woodruff,	Orville V. Brainard,	200,000
"	Wooster Sherman's	Wooster Sherman,	Charles Burchard,	35,000
Whitestown,	B. of Whitestown,	S. Newton Dexter,	James S. Thomas,	100,000
White Plains,	White Plains Bank,	Elisha Crawford,	Richard Cadmus,	28,137
Whitehall,	Bank of Whitehall,	William A. Moore,	Hunloke W. Palmer,	100,000
Waterford,	Saratoga County B.	John Knickerbocker,	M. S. Scott,	100,000
Watloo,	Seneca County Bank,	David S. Skaats,	Wm. V. J. Mercer,	200,000

144 Banks. Circulation \$19,270,000 Specie \$2,533,000 Capital, \$19,356,565

NEW YORK CITY.

50 Wall-st.,	American Exchange	David Leavitt,	John I. Fisk,	1,155,400
46 "	Bank of America,	George Newbold,	James Punnett,	2,000,200
32 "	Bank of Commerce,	John A. Stevens,	George Curtis,	3,449,480
Wall & Wm.	Bank of New York,	John Oothout,	Anthony P. Halsey,	1,000,000
30 Wall-st.,	B. of State of N. Y.	Joseph Lawrence,	Reuben Withers,	2,000,000
173 Bowery,	Bowery Bank,	Dan. W. Townsend,	Nath. G. Bradford,	210,123
124 "	Butchers & Drovers'	Jacob Aimes,	Benedict Lewis, Jr.	500,000
216 Broadway,	Chemical Bank,	John Q. Jones,	John B. Desdoity,	300,000
52 Wall-st.,	City Bank,	Gorham A. Worth,	Robert Strong,	720,000
266 Pearl-st.,	Fulton Bank,	John Adams,	William J. Lane,	600,000
402 Hudson-st.	Greenwich Bank,	B. F. Wheelwright,	William Hawes,	200,000
45 William-st.	Leather Manuf. B.	Fanning C. Tucker,	Ebenezer Platt,	600,000
40 Wall-st.,	Manhattan Co.	Caleb O. Halsted,	James M. Morrison,	2,050,000
33 "	Mechanics' Bank,	Shepherd Knapp,	Francis W. Edmonds,	1,440,000
38 "	Mechanics' B. Asso.	Frederick Pentz,	John H. Cornell,	632,000
370 Grand-st.,	Mechan. & Traders'	John Clapp,	Ephraim D. Brown,	200,000
42 Wall-st.,	Merchants' Bank,	John I. Palmer,	O. J. Camman,	1,490,000
173 Greenwich	" Exchange B.	J. Van Nostrand,	Wm. H. Johnson,	750,000
36 Wall-st.,	National Bank,	James Gallatin,	Frederick Dobbs,	750,000
Avenue D.,	N. Y. Dry Dock Co.	George Law,	Joseph Washburn,	200,000
175 Greenwich	North River Bank,	Nathaniel Weed,	Aaron B. Hays,	655,000
45 Wall-st.,	Phenix Bank,	Thomas Tileston,	Nicholas G. Ogden,	1,200,000
234 Pearl-st.,	Seventh Ward Bank,	John W. Lawrence,	Alfred S. Fraser,	500,000
177 Chatham,	Tradesmen's Bank,	William H. Falls,	Richard Berry,	400,000
34 Wall-st.,	Union Bank,	Fred. Deming,	Daniel Ebbetts,	1,000,000

25 Banks. Circulation \$6,967,000 Specie \$6,574,000 Capital \$24,003,303

PHILADELPHIA.

Chesnut-st.,	Bank of Commerce,	William E. Bowen,	J. C. Donnell,	250,000
"	B. of North Amer.	John Richardson,	John Hockley,	1,000,000
Vine-st.,	B. of Northern Lib.	Robert L. Pitfield,	Sam. W. Caldwell,	350,000
Second-st.,	B. of Pennsylvania,	Joseph Trotter,	George Philler,	1,562,500
Vine-st.,	B. of Penn Township	Elijah Dallett,	James Russell,	225,000
Market-st.,	Commercial B. of P.	James Dundas,	I. I. Cope,	1,000,000
Chesnut-st.,	Farm. & Mechan. B.	Singleton A. Mercer,	Edwin M. Lewis,	750,000
Third-st.,	Girard Bank,	Charles S. Boker,	Wm. L. Schaeffer,	1,000,000
Beach-st.,	Kensington Bank,	J. Wainwright,	Charles Keen,	250,000
Vine-st.,	Manufac. & M. B.	John Jordan, Jr.	M. W. Woodward,	300,000
Third-st.,	Mechanics' Bank,	J. B. Mitchell,	William Thaw,	800,000
Chesnut-st.,	Philadelphia Bank,	Samuel F. Smith,	John B. Trevor,	1,150,000
Second-st.,	Southwark Bank,	Thomas Sparks,	James S. Smith, Jr.	250,000
Market-st.,	Western Bank,	Joseph Patterson,	Geo. M. Troutman,	334,880

14 Banks.

Capital \$9,223,380

Banks of the United States.

777

PENNSYLVANIA.

Location.	Name of Bank.	President.	Cashier.	Capital.
Bristol,	Farm. B., Bucks Co.	John Paxson,	Robert C. Beatty,	92,220
Brownsville,	Monongahela Bank,	James L. Bowman,	David Smith Knox,	126,000
Chambersburg,	B. of Chambersburg,	Thos. G. McCulloh,	James Lesley,	205,838
Chester,	B. of Delaware Co.	Jesse I. Maris,	Fred. I. Hinkson,	155,640
Columbia,	Columbia B. & B. Co.	John N. Lane,	Samuel Shock,	150,000
Doylestown,	Doylestown Bank,	Abraham Chapin,	Daniel Byrnes,	60,000
Easton,	Easton Bank,	Thomas McKean,	James Sinton,	400,000
Germantown,	B. of Germantown,	Samuel Harvey,	John F. Watson,	142,050
Gettysburg,	Bank of Gettysburg,	Robert Smith,	Jos. B. McPherson,	123,873
Honesdale,	Honesdale Bank,	R. L. Seeley,	S. D. Ward,	82,000
Holidaysburg,	Exch. B. (branch)		William Williams,	
Harrisburg,	Dauphin Deposit B.	James McCormick,	Robert I. Ross,	50,000
"	Harrisburg Bank,	Thomas Elder,	James W. Weir,	300,000
Lewistown,	Bank of Lewistown,	John Potter,	R. F. Ellis,	197,785
Lancaster,	Farm. B. Lancaster,	George H. Krug,	Gerardus Clarkson,	350,000
"	Lancaster Bank,	David Longenecker,	Christian Bachman,	182,340
"	Lancaster Co. Bank,	John Landes,	Robert D. Carson,	119,213
Lebanon,	Lebanon Bank,	John W. Gloninger,	George Gleim,	70,280
Middletown,	Bank of Middletown,	Mercer Brown,	Simon Cameron,	97,275
Montrose,	B. Susquehanna Co.	William L. Post,	T. P. St. John,	100,000
Norristown,	B. Montgomery Co.	John Boyer,	Wm. H. Slingsluff,	276,115
Northumberland,	B. of Northumberland	John Taggart,	John R. Priestly,	160,000
Pittsburg,	Bank of Pittsburg,	John Graham,	John Snyder,	1,142,340
"	Exchange Bank,	Wm. Robinson, Jr.	Thomas M. Howe,	813,545
"	Farmers' Deposit B.	James Marshall,	Thompson Bell,	200,000
"	Merchants & Manuf.	Thomas Scott,	Wm. H. Denny,	600,000
Pottsville,	Miners' B. Pottsville,	John Shippen,	Charles Loeser,	199,745
Reading,	Farm. B. Reading,	Isaac Eckert,	H. H. Muhlenburg,	300,360
Westchester,	B. of Chester Co.	Wm. Darlington,	David Townsend,	225,000
Williamsport,	West Branch Bank,	John C. Oliver,	Thomas W. Lloyd,	100,000
Waynesburg,	Farm. & Drovers' B.	A. Buchanan,	J. Lazear,	85,000
Washington,	Franklin Bank,	T. M. T. McKennan,	John Marshal,	120,000
Wilksbarre,	Wyoming Bank,	George Hallenback,	Edward Lynch,	85,330
York,	York Bank,	James Lewis,	Samuel Waguer,	210,900

34 Banks.

Total Capital \$ 7,866,060

MARYLAND.

Annapolis,	Farmers' B. of Md.	George Wells,	Thomas Franklin,	297,930
Cumberland,	Cumberland Bank,	David Shriver,	Joseph Shriver,	112,937
"	Mineral Bank,	Thomas I. McKaig,	J. H. Tucker,	50,000
Ellicotts Mills,	Patapsco Bank,	Thomas B. Dorsey,	Bernard U. Campbell,	125,000
Easton,	*Farmers' B. of Md.	Theo. Lockerman,	William B. Smyth,	271,575
Frederick,	"	William Ross,	Cyrus Mantz,	250,000
"	Farmers & Mechan.	William Tyler,	Thos. W. Morgan,	125,430
"	Frederick Co. Bank,	John P. Thomson,	Henry Schley,	150,000
Hagerstown,	Hagerstown Bank,	Alexander Neill,	Elie Beatty,	250,000
Havre de Grace,	Havre de Grace B.	William Sappington,	E. Collier,	50,000
Westminster,	B. of Westminster,	Isaac Shriver,	John Fisher,	60,000
Williamsport,	Washington Co. B.	John R. Dall,	John Van Lear, Jr.	135,000

*Branches. 10 Banks.

2 Branches.

Total Capital \$ 1,877,872

BALTIMORE.

Char'd 1795,	Bank of Baltimore,	James H. McCulloh,	C. C. Jamison,	1,200,000
1836,	Chesapeake Bank,	John S. Gittings,	James Lownds,	340,615
1810,	Commercial & Farm.	Eli Clagett,	Trueman Cross,	512,560
1810,	Farm. & Merchants'	J. Hanson Thomas,	John Loney,	393,560
1836,	Farmers & Planters'	Wm. E. Mayhew,	Thomas B. Rutter,	600,625
1810,	Franklin Bank,	John I. Donaldson,	Aquila P. Giles,	301,850
1810,	Marine Bank,	Jacob Bier,	Philip Littig, Jr.	309,200
1806,	Mechanics' Bank,	John B. Morris,	James W. Alnutt,	590,724
1834,	Merchants' Bank,	James Swan,	Daniel Sprigg,	1,500,000
1804,	Union Bank of Md.	John M. Gordon,	Robert Mickle,	916,350
1835,	Western Bank,	Chauncey Brooks,	James H. Carter,	308,280

11 Banks. Circulation \$2,104,000. Specie \$1,832,000.

Capital \$ 6,973,164

NEW JERSEY.

Location.	Name of Bank.	President.	Cashier.	Capital.
Belvidere,	Belvidere Bank,	J. Kinney,	John Stuart,	88,930
Bridgeton,	Cumberland Bank,	James B. Potter,	William G. Nixon,	52,050
Burlington,	Mechan. B. of Bur.	William R. Allen,	George Gaskill,	50,000
Camden,	State B. at Camden,	John Gill,	Auley McCalla,	260,000
Dover,	Union Bank,	G. M. Hinchman,	Thomas B. Segur,	50,000
Elizabethtown,	S. B. of Elizabetht'n	Charles Davis,	James Crane,	200,000
Lambertville,	New Hope Del.B.Co.	Amel St. John,	Sam'l. M. Robinson,	170,000
Medford,	Burlington Co. Bank,	Benjamin Shreve,	Jonathan Oliphant,	70,000
Mount Holly,	Farmers' B. of N. J.	John Black,	John Beatty,	100,000
Middletown Pt.	Farm. & Merchants'	Asbury Fountain,	Elihu Baker,	25,000
Morristown,	Morris County Bank,	Henry A. Ford,	Theodore S. Wood,	50,000
"	State B. at Morris,	William N. Wood,	Wm. A. Carmichael,	100,000
Newark,	Mechanics' Bank,	Joseph A. Halsey,	Matthias W. Day,	500,000
"	Newark B. & In. Co.	John Taylor,	Jacob D. Vermilye,	508,650
"	State B. at Newark,	Elias Van Arsdale,	William H. Mott,	400,000
N. Brunswick,	State B. at New B.	Fitz Rau. Smith,	John B. Hill,	140,000
Newton,	Sussex Bank,	David Ryerson,	Samuel D. Morford,	67,500
Orange,	Orange Bank,	Stephen D. Day,	Charles G. Rockwood,	102,500
Perth Amboy,	Commercial B. N. J.	Herman Bruen,	James A. Nichols,	30,000
Paterson,	People's Bank,	Elias B. D. Ogden,	Henry C. Stimson,	75,000
Princeton,	Princeton Bank,	R. S. Field,	Louis P. Smith,	90,000
Rahway,	Farm. Mechanics' B.	Joseph O. Lufberry,	Frederick King,	130,000
Salem,	Salem B. Company,	Calvin Belden,	George C. Rumsey,	75,000
Trenton,	Mechan. & Manuf.	George Dill,	Timothy Abbott,	100,000
"	Trenton Banking Co.	Philemon Dickinson,	Thomas J. Stryker,	210,000

25 Banks. Circulation 2,700,000. Specie 636,000. Capital \$3,570,700

NORTH CAROLINA.

• Asheville,	Bk. of Cape Fear,	John Irwin,	J. F. E. Hardy,	125,000
• Charlotte,	Bk. of State of N. C.	William B. Shepard,	William A. Lucas,	100,000
• Elizabeth C.	Bk. of State of N. C.	John Huske,	John C. Ehringhaus,	100,000
• Fayetteville,	"	Charles T. Haigh,	Ichabod Wetmore,	200,000
• " "	Bk. of Cape Fear,	Samuel Watkins,	John W. Wright,	350,000
• Milton,	Bk. of State of N. C.	Robert C. Pearson,	William R. Hill,	100,000
• Morganton,	"	George S. Attmore,	Isaac T. Avery,	100,000
• Newbern,	"	Charles Slover,	John M. Roberts,	150,000
"	Merch. B. Newbern,	Duncan Cameron,	William W. Clark,	225,000
Raleigh,	Bk. of State of N. C.	Richard Smith,	Charles Dewey,	300,000
• " "	Bk. of Cape Fear,	Maxwell Chambers,	William H. Jones,	125,000
• Salem,	Bk. of Cape Fear,	Theodore Parker,	Israel G. Lash,	125,000
• Salisbury,	Bk. of State of N. C.	John Myers,	Dolphin A. Davis,	175,000
• Tarboro,	Bk. of Cape Fear,	Edward P. Hall,	Peter P. Lawrence,	150,000
• Washington,	Bk. of State of N. C.	Thomas H. Wright,	Benjamin Runyon,	200,000
• Wilmington,	Bk. of Cape Fear,	Oscar G. Paraley,	Wm. E. Anderson,	300,000
"	Commercial Bank,		Henry R. Savage,	400,000
"			Timothy Savage,	300,000

• Branches. 4 Banks and 14 Branches. Capital \$3,525,000

LOUISIANA.

New Orleans,	Bank of Louisiana,	Benjamin Story,	Robert M. Davis,	4,000,000
"	Canal & B. Co.	Glendy Burke,	N. N. Wilkinson,	3,217,350
"	City B. of N. Orleans	Samuel J. Peters,	Robert J. Palfrey,	1,888,600
"	Louisiana State B.	John B. B. Vignie,	Richard Relf,	1,775,000
"	Mechan. & Traders'	George Morgan,	Samuel C. Bell,	1,794,350
"	Union B. Louisiana,		F. Frey,	4,988,000

Six Banks. Circulation 3,514,000. Specie 7,252,000 Capital \$17,663,300

VIRGINIA.

<i>Location.</i>	<i>Name of Bank.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
Alexandria,	*Farmers' Bank Va.	Phineas Janney,	Washington C. Page,	300,000
"	*Exchange B. of Va.	Robert Jamieson,	John Hooff,	107,000
Buchanan,	*Bank of Virginia,	James L. Woodville,	J. Anthony,	105,000
Clarksville,	*Exchange B. of Va.	Francis W. Venable,	Augustus C. Finley,	200,000
Charlottesville,	*Farmers' B. of Va.	John R. Jones,	William A. Bibb,	104,100
Charlestown,	*Bank of the Valley,	Thomas Greggs,	Cato Moore,	190,000
Charleston,	*Bank of Virginia,	Jas. C. McFarland,	Samuel Hannah,	150,000
Danville,	"	Tbos. P. Atkinson,	C. B. Taliaferro,	70,000
"	*Farmers' B. of Va.	Nathaniel T. Green,	George W. Johnson,	120,000
Fredericksb'g	"	John H. Wallace,	Arthur Goodwin,	260,000
"	*Bank of Virginia,	Hugh Mercer,	William J. Roberts,	290,000
Farmville,	*Farmers' B. of Va.	Wm. C. Flournoy,	Archibald Vaughan,	150,000
Lynchburg,	*Bank of Virginia,	C. Dabney,	John M. Otey,	300,000
"	*Farmers' B. of Va.	William Radford,	Alexander Tompkins,	300,000
Leesburg,	*Bank of the Valley,	John Janney,	William A. Powell,	180,000
Morgantown,	*Merchants & Mec.	Matthew Gay,	William Wagner,	75,000
Norfolk,	*Bank of Virginia,	Edward I. Higgins,	Robert W. Bowden,	200,000
"	*Exchange B. of Va.	William W. Sharp,	Wright Southgate,	501,300
"	*Farmers' Bank Va.	N. C. Whitehead,	R. H. Chamberlain,	290,000
Parkersburg,	*North Western B.	Wm. S. Gardner,	Beverly Smith,	100,000
Petersburg,	*Bank of Virginia,	Joseph Bragg,	George W. Steinback,	400,000
"	*Exchange B. of Va.	George W. Bolling,	Patrick Durkin,	500,000
"	*Farmers' Bank Va.	Wm. Robertson,	Pleasant C. Osborne,	270,000
Portsmouth,	*Bank Virginia,	John A. Chandler,	William H. Wilson,	225,000
Richmond,	Bank of "	James Caskie,	Samuel Marx,	810,870
"	*Exchange B. of Va.	John C. Hobson,	William P. Strother,	500,000
"	*Farmers' B. of Va.	Wm. H. McFarland,	John G. Blair,	804,500
Romney,	*Bank of the Valley,	David Gibson,	John McDowell,	200,000
Staunton,	"	James Crawford,	Edwin M. Taylor,	100,000
Winchester,	*Bank of the Valley,	Thos. Allen Tidball,	Henry M. Brent,	430,000
"	*Farmers' B. of Va.	Robert L. Baker,	Jos. H. Sherrard,	250,000
Wytheville,	*Farmers' Bank Va.	Stephen McGavock,	Thomas J. Morrison,	130,100
Wheeling,	*Merchants & Mech.	Joseph Caldwell,	Sobieski Brady,	461,500
Wellsburg,	*North Western B.	Thomas Sweeney,	John List,	522,600
"	"	John C. Campbell,	Samuel Jacob,	118,000

6 Banks and 30 *Branches. Circulation 9,308,000. Specie 2,990,000. Capital \$ 10,502,300

SOUTH CAROLINA.

*Columbia,	B. of State of S. C.	Robert H. Goodwyn,	John Fisher,	
"	Commercial B. of C.	John A. Crawford,	Benjamin D. Boyd,	800,000
Charleston,	B. of Charleston,	Henry W. Conner,	Arthur G. Rose,	3,160,600
"	Bank of S. Carolina,	William Bernie,	George B. Reid,	1,000,000
"	Bk. of State of S. C.	Franklin H. Elmore,	Chas. M. Furman,	1,123,358
"	Planters and Mech.	Daniel Ravenel,	Step'n T. Robinson,	1,000,000
"	S. Western R. R. B.	James Rose,	James G. Holmes,	869,425
"	State Bank,	Edward Sebring,	Henry Trescott,	1,000,000
"	Union Bank of S. C.	Henry Ravenel,	Aaron C. Smith,	1,000,000
*Camden,	Bk. of State of S. C.	Thomas Salmond,	D. L. Desaussure,	
"	Bank of Camden,	William E. Johnson,	William I. Grant,	377,600
Cheraw,	*Merchants B. of S. C.	James Wright,	William Godfrey,	400,000
Georgetown,	Bk. of Georgetown,	Donald L. McCay,	James G. Henning,	200,000
Hamburg,	Bank of Hamburg,	Hiram Hutchison,	John J. Blackwood,	500,000

* Branches.

12 Banks and 2 Branches.

Capital \$ 11,431,183

KENTUCKY.

Location.	Name of Bank.	President.	Cashier.	Capital.
Bowling Green	*Bank of Kentucky,	John H. Graham,	Richard Curd,	175,000
Covington,	*Northern B. of Ky.	James M. Preston,	Philip S. Bush,	250,000
Danville,	*Bank of Kentucky,	William Craig,	Thomas Mitchell,	220,000
Flemingsburg,	*Bank of Louisville,	Dorsey H. Stockton,	H. Powers,	100,000
Greensburg,	*Bank of Kentucky,	Josiah Bromwell,	William B. Allen,	125,000
Hopkinsville,	*Bank of Kentucky,	John P. Campbell,	Reuben Rowland,	250,000
Louisville,	Bank of Kentucky,	Virgil McKnight,	Geo. C. Gwathmey,	1,480,000
"	Bank of Louisville,	Joshua B. Bowles,	Alfred Thruston,	880,000
"	*Northern B. of Ky.	Chapman Coleman,	William Richardson,	600,000
Lexington,	Bank of Kentucky,	Robert S. Todd,	William S. Waller,	650,000
"	*Northern B. of Ky.	John Tilford,	Matthew T. Scott,	867,600
Maysville,	*Bank of Kentucky,	Richard Henry Lee,	H. B. Hill,	450,000
Paducah,	*Bank of Louisville,	James Campbell,	Adam Rankin,	100,000
Paris,	*Northern B. of Ky.	John B. Raine,	Thomas Y. Brent,	370,000
Richmond,	"	Wm McClanahan,	E. L. Shackelford,	150,000
Frankfort,	*Bank of Kentucky,	Thomas N. Lindsey,	Edmund H. Taylor,	350,000

3 Banks and 13 *Branches. Circulation \$ 6,483,000. Specie \$ 2,920,000. Capital \$ 7,018,900

INDIANA.

Indianapolis,	State B. of Indiana,	James Morrison,	James M. Ray,	
Indianapolis,	" (Branch,)	Calvin Fletcher,	Thomas H. Sharpe,	219,900
Bedford,	"	John Vestal,	Isaac Rector,	91,762
Evansville,	"	John Mitchell,	George W. Rathbone,	151,866
Fort Wayne,	"	Allen Hamilton,	Hugh McCulloch,	145,705
Lafayette,	"	Joseph S. Hanna,	Cyrus Ball,	187,750
Lawrenceburg,	"	Elzey G. Burkam,	Henry K. Hobbs,	215,000
Madison,	"	James F. D. Lanier,	Joseph M. Moore,	212,550
Michigan City,	"	Edmund D. Taylor,	David Kreigh,	120,000
New Albany,	"	Mason C. Fitch,	James R. Shields,	163,850
Richmond,	"	Albert C. Blanchard,	Elijah Coffin,	167,000
South Bend,	"	Samuel C. Sample,	Horatio Chapin,	102,341
Terre Haute,	"	Curtis Gilbert,	Nathaniel Preston,	157,900
Vincennes,	"	William Burtch,	John Ross,	147,250

13 Branches. Circulation \$3,901,000. Specie \$1,084,000. Capital \$ 2,082,874

GEORGIA.

Augusta,	A. Insurance & B. Co.	Wm. D'Antignac,	Robert Walton,	375,000
"	Bk. of Augusta,	Robert F. Poe.	James W. Davies,	724,900
"	Bk. of Brunswick,	Edward Thomas,	John Craig,	200,000
"	*Bk. State of Geo.	George M. Newton,	Isaac Henry,	450,000
"	Mechanics' Bank,	Amory Sibley,	Milo Hatch,	500,000
"	Geo. R. R. & B. Co.	John P. King,	John W. Wilde,	375,000
Athens,	Bk. of State of Geo.	George Dent,	Asbury Hull,	100,000
Columbus,	*Bk. of Brunswick,	(Agency,)	T. G. Casey, Agt.	
"	Bk. of St. Marys'	John G. Winter,	James W. Winter,	134,375
Eatonton,	*Bk. of State of Geo.	J. C. Mason,	D. R. Adams,	100,000
Griffin,	"	(Agency,)	L. H. Beck, Agt.	
Washington,	"	A. S. Wingfield,	A. L. Alexander,	100,000
Macon,	"	(Agency,)	J. H. R. Washington, Agt.	
"	*Marine & Fire I. B.	(Agency,)	J. C. Plant, Agt.	
"	Merchants' Bank.	James Dean,	William Gunn,	160,000
Milledgeville,	Central Bank,	John S. Thomas,	A. M. Nisbet,	
Savannah,	Bank State of Geo.	George B. Cumming,	Anthony Porter,	750,000
"	Com. R. R. & B. Co.	R. R. Cuyler,	George J. Bulloch,	205,300
"	Marine & Fire I. B.	Edward Padelford,	Jonathan Olmstead,	400,000
"	Planters' Bank,	Geo. W. Anderson,	Hugh W. Mercer,	535,400

13 Banks and 7 Branches.

Capital \$ 5,109,975

MISSOURI.

Location.	Name of Bank.	President.	Cashier.	Capital.
St. Louis	Bk. of State of Mo.	Robert Campbell,	Henry Shurlds,	600,287
Fayette,	" (Branch,)	John J. Lowry,	William C. Boon,	120,059
Jackson,	" "	A. H. Brevard,	Thomas B. English,	120,059
Lexington,	" "	Lewis Green,	William Limrick,	120,059
Palmyra,	" "	William Blakey,	Samuel D. South,	120,059
Springfield,	" "	Joseph G. Morton,	James R. Danforth,	120,059

1 Bank and 5 Branches. Circulation \$2,404,000. Specie \$2,314,000. Capital \$1,200,582

TENNESSEE.

NASHVILLE,	Bank of Tennessee,	A. O. P. Nicholson,	S. R. Anderson,	1,314,420
•Athens,	" branch,	Agency,	V. M. Campbell,	249,150
•Clarkesville,	" "	"	Thos. W. Barksdale,	23,932
•Columbia,	" "	"	F. G. Roche,	190,130
Rogersville,	" "	Hugh Walker,	Hiram Fain,	254,208
Shelbyville,	" "	Robert Matthews,	William S. Jett,	223,932
Somersville,	" "	William Ruffin,	James Petit,	254,208
Sparta,	" "	S. J. Walling,	W. M. Young,	227,028
Trenton,	" "	N. J. Hess,	John A. Taliaferro,	254,208
NASHVILLE,	Planters' Bank of T.	Matthew Watson,	N. Hobson,	2,248,300
Athens,	" branch,	James H. Regan,	David Cleage,	
Clarkesville,	" "	H. F. Beaumont,	William P. Hume,	
Franklin,	" "	Samuel Crockett,	Thomas Parkes,	
Memphis,	" "	R. C. Brinkley,	James Penn,	
Pulaski,	" "	A. M. Ballentine,	E. B. Smith,	
NASHVILLE,	Union Bank of Tenn.	John M. Bass,	J. Correy,	2,617,284
Columbia,	" branch,	Evan Young,	S. A. Hamner,	
Jackson,	" "	James Caruthers,	John W. Campbell,	
Knoxville,	" "	James H. Cowan,	H. A. M. White,	
Memphis	" "	John Pope,	H. C. Walker,	

*In liquidation.

3 Banks and 17 Branches.

Capital \$8,056,800

DELAWARE.

Dover,	Farmers' B. of Del.	Jonathan Jenkins,	J. P. Wild,	186,000
Georgetown,	" branch,	James Anderson,	Isaac Trunnell,	120,000
Newcastle,	" "	Thomas Janvier,	Howell J. Terry,	138,000
Smyrna,	Bank of Smyrna,	Jacob Raymond,	Ayres Stockley,	100,000
Wilmington,	Farmers' B. of Del.	David C. Wilson,	R. D. Hicks,	236,000
"	Bank of Delaware,	Henry Latimer,	Samuel Floyd,	110,000
"	Union Bank of Del.	E. W. Gilpin,	Joseph T. Warner,	300,000
"	Wilming. & Brandy.	George Bush,	G. W. Sparks,	200,010

5 Banks and 3 Branches.

Capital \$1,390,010

DISTRICT OF COLUMBIA.

Georgetown,	Farm. & Mechan. B.	John Kurtz,	Alexander Suter,	308,815
Washington,	Bk. of Washington,	William Gunton,	James Adams,	279,380
"	Bank of Metropolis,	Jourdan W. Maury,	Richard Smith,	500,000
"	Patriotic Bank,	George C. Grammer,	Chauncy Bestor,	250,000

4 Banks.

Capital \$1,338,195

MICHIGAN.

Detroit,	Michigan State Bk.	Chas. C. Trowbridge,	A. H. Adams,	200,000
"	Michigan In. Co.	John Owen,	Henry L. Lansing,	60,000
"	Farm. & Mechan. B.	Charles Seymour,	Elisha C. Litchfield,	400,000

3 Banks.

Capital \$660,000

OHIO.

Location.	Name of Bank.	President.	Cashier.	Capital.
Akron,	*Akron Branch B.		J. W. McMillen,	100,000
Cincinnati,	City Bank of C.	J. B. Headley,	Lysle Lodwich,	49,800
"	*Franklin Branch B.		T. M. Jackson,	169,000
"	*Mechan. & Traders		Stanhope S. Rowe,	84,300
"	Lafayette Bank,	George Carlyle,	W. G. W. Gano,	700,000
"	Ohio Life I. & T. Co.	Charles Stetson,	W. M. Vermilye,	611,226
"	Commercial Bank,	Jacob Strader,	James Hall,	50,000
Cleveland,	Canal Bank,	E. F. Gaylord,	S. H. Mann,	40,000
"	City Bank,	George Mygatt,	William H. Stanley,	50,000
"	*Com. Branch Bank,	William A. Otis,	T. P. Handy,	162,500
"	*Merchants' Branch	S. J. Andrews,	D. C. Baldwin,	106,560
Columbus,	City Bank,	Joel Buttles,	Thomas Moodie,	95,620
"	*Exchange Branch	William B. Hubbard,	Herman Hubbard,	125,000
"	*Franklin Branch B.	Samuel Parsons,	James Espy,	175,000
"	Clinton Bank,	William S. Sullivan,	Daniel W. Deshler,	300,000
Chillicothe,	*Chillicothe Branch	William H. Douglas,	Jacob S. Atwood,	178,410
"	*Ross County Branch	Owen T. Reeves,	A. Spencer Nye,	106,210
Circleville,	Bank of Circleville,	N. S. Gregg,	Hoel Lawrence,	200,000
Cuyahoga Falls,	*Summit County Br.	Joseph Hale,	H. B. Tuttle,	100,000
Dayton,	Dayton Bank,	Jona Harshman,	Valentine Winters,	66,300
"	*Dayton Branch B.	Peter Odlin,	David Z. Peirce,	122,270
Delaware,	*Delaware Co. Br.	Hosea Williams,	Benjamin Powers,	82,447
Elyria,	*Lorain Bank,	Heman Ely,	William A. Adair,	36,945
Eaton,	*Preble County Br.			32,680
Lancaster,	*Hocking Valley Br.	Darius Tallmadge,	William Slade, Jr.	64,320
Mt. Pleasant,	*Mt. Pleasant Br. B.	John W. Watkins,	Jonathan Binns,	30,000
Massillon,	Bank of Massillon,	Charles K. Skinner,	Salmon Hunt,	200,000
Mansfield,	*Farmers' Branch B.	James Purdy,	John M. Rhodes,	40,320
Marietta,	*Marietta Branch B.	John Mills,	Noah L. Wilson,	60,000
Norwalk,	*Norwalk Branch B.	John P. Regner,	John Gardiner,	50,000
"	Bank of Norwalk,	Buro Higgins,	James D. Whitney,	200,000
Painesville,	Bank of Geauga,	Daniel Kerr,	John R. Finn,	30,000
Piqua,	*Piqua Branch Bank,	William Scott,	Joseph G. Young,	51,992
Portsmouth,	*Portsmouth Branch		E. Kinney,	51,500
Ravenna,	*Portage County B.		W. D. Williams,	
Ripley,	*Farmers' Branch B.			42,593
Salem,	"	Simeon Jennings,	John H. Ebbert,	60,060
Steubenville,	*Jefferson Branch B.	John Andrews,	David Moody,	90,420
Sandusky,	Sandusky City Bank,			40,000
"	Bank of Sandusky,	William Townsend,	Wm. W. Wetherill,	100,000
Springfield,	*Mad River V. Br.	Levi Rinehart,	James T. Claypoole,	68,355
Tiffin,	Seneca County B.		W. E. Chittenden,	
Toledo,	*Commercial Bank,	Samuel M. Young,	M. Johnson,	120,000
"	*Toledo Branch B.	Charles R. Miller,	T. S. Manley,	125,500
Troy,	*Miami County Br.	William Barber,	Joseph Brown,	51,935
Warren,	Western Reserve B.	George Parsons,	George Taylor,	35,000
Wooster,	Bank of Wooster,	George Wellhouse,	Otho Klemm,	249,450
Xenia,	*Xenia Branch Bk.	Abram Hirling,	E. F. Drake,	149,250
Zanesville,	Franklin Bank of Z.	Daniel Brush,	John Peters,	31,600

48 Banks. Circulation \$8,321,000. Specie \$2,604,000. Capital \$5,706,563

ALABAMA.

Mobile, | Bank of Mobile, | William R. Hallett, | Thomas M. English, | \$1,500,000

WISCONSIN.

Milwaukee, | Marine & F. I. Co. | George Smith, | Alexander Mitchell, | 225,000

ERRATUM—Page 428. Deposits of the Andover Bank, for \$512,000 read \$1,780.

BANK CAPITAL OF THE UNITED STATES.

The following table comprises from the latest official tables, a correct exhibit of the number of banks, amount of Bank Capital, Circulation and Specie in each of the States. A few only are estimates and these from correct data.

<i>States.</i>	<i>Population, 1840.</i>	<i>No. of Banks.</i>	<i>Capital.</i>	<i>Circulation.</i>	<i>Specie.</i>
New York, Country.. } 2,429,000	144	19,356,000	19,270,000	2,533,000	
New York, City..... } 25	24,003,000	6,967,000	6,574,000		
Pennsylvania, Country } 1,724,000	34	7,866,000	6,400,000	2,000,000	
Philadelphia..... } 14	9,222,000	4,500,000	4,200,000		
Ohio..... 1,520,000	48	5,706,000	8,321,000	2,604,000	
Virginia..... 1,240,000	36	10,502,000	9,308,000	2,990,000	
Tennessee..... 830,000	20	8,056,000	*3,000,000	1,200,000	
Kentucky..... 780,000	16	7,018,000	6,483,000	2,920,000	
North Carolina... 753,000	18	3,525,000	3,070,000	1,290,000	
Massachusetts, Country. } 738,000	83	13,249,000	10,988,000	658,000	
Boston, City..... } 26	18,863,000	7,208,000	3,286,000		
Georgia..... 691,000	20	5,109,000	*3,200,000	1,448,000	
Indiana..... 686,000	13	2,082,000	3,900,000	1,084,000	
South Carolina..... 595,000	14	11,431,000	2,442,000	681,000	
Alabama, (Mobile)..... 590,000	1	1,500,000	2,311,000	1,097,000	
Maine..... 501,000	33	2,959,000	2,536,000	260,000	
Maryland, Country.... } 470,000	12	1,877,000	*1,500,000	600,000	
Baltimore..... } 11	6,973,000	2,104,000	1,832,000		
Missouri..... 384,000	6	1,201,000	2,404,000	2,314,000	
New Jersey..... 373,000	25	3,750,000	2,700,000	636,000	
Louisiana..... 353,000	6	17,663,000	3,514,000	7,252,000	
Connecticut..... 310,000	33	8,705,000	4,437,000	462,000	
Vermont..... 292,000	32	2,959,000	2,536,000	260,000	
New Hampshire..... 285,000	20	1,800,000	1,512,000	144,000	
Michigan..... 212,000	3	7660,000	*600,000	200,000	
Rhode Island..... 109,000	62	11,023,000	2,842,000	325,000	
Delaware..... 78,000	8	1,390,000	*500,000	150,000	
District of Columbia..... 43,000	4	1,338,000	*500,000	150,000	
Wisconsin..... 31,000	1	225,000	*180,000	120,000	
Total.....	16,017,000	768	\$209,831,000	\$125,233,000	\$49,270,000

States and Territories without Banks.

Illinois.....	476,000
Mississippi.....	376,000
Iowa.....	43,000
Florida.....	54,000
Arkansas.....	98,000

Total population, 1840, 17,063,000

*Estimates

Comparative Circulation of Great Britain and the United States.

The official reports of about the same period (December, 1847,) give the following results as to the bank circulation and coin of both countries.

GREAT BRITAIN.			
	Population, 1841.	Circulation.	Specie.
Bank of England, {		£19,275,000	£11,000,000
Private Banks, {	16,224,000	6,275,000	*1,800,000
Scotland.....	2,620,000	3,732,000	1,200,000
Ireland.....	8,175,000	5,323,000	1,600,000
Great Britain.....	27,019,000	£34,605,000	£15,600,000
At \$5 per £, circulation		\$173,025,000	\$58,000,000
United States		120,000,000	\$50,000,000

Banks of Great Britain, October, 1847.

1 Bank of England and Branches.....	14		
195 Private Banking Firms of Issue and Branches,	398		
67 Joint Stock Banking Companies and Branches,	413	Banks,	825
18 Banking Companies in Scotland, and Branches.....		do.	403
8 do. do. in Ireland do.		do.	155
Total number of Banks in the United Kingdom, 1383.			
			* Estimated.

BANK CAPITAL OF CITIES.

The following list comprises all cities which possess above one million of dollars bank capital. It will be seen that they are, with two or three exceptions, either commercial or manufacturing places.

No. of Banks.		Capital.		No. of Banks.		Capital.	
New York.....	25	\$ 24,003,000		Boston.....	26	\$ 18,963,000	
New Orleans.....	6	17,663,000		Philadelphia.....	14	9,222,000	
*Charleston.....	7	9,153,000		Providence.....	23	8,040,000	
Baltimore.....	11	6,973,000		*Nashville.....	3	6,180,000	
Hartford.....	5	3,732,000		Louisville.....	3	2,960,000	
Pittsburgh.....	4	2,755,000		Augusta, Geo.....	6	2,625,000	
Albany.....	7	2,462,000		Richmond.....	3	2,115,000	
Savannah.....	4	1,890,000		Salem, Mass.....	7	1,750,000	
New Haven.....	4	1,678,000		Cincinnati.....	6	1,664,000	
Lexington, Ky.....	2	1,517,000		Mobile.....	1	1,500,000	
Troy.....	5	1,475,000		Newark.....	3	1,408,000	
New Bedford.....	4	1,300,000		Utica.....	4	1,260,000	
Petersburg.....	3	1,170,000		Rochester.....	5	1,160,000	
Washington, D. C.....	3	1,029,000		Wilmington, N. C..	3	1,000,000	
Total 28 cities....		194 banks.		Capital....		\$ 136,547,000	

*Less capital allotted to branch banks, in the interior and not fixed.

REMARKS.—These figures are by no means indicative of the relative wealth or of business done at the several places named. There are several cities not mentioned, where there is a large export and import trade, and also large wealth.

Among these we may especially mention Buffalo, Cleveland, St. Louis, Brooklyn, N. Y., Charlestown, Mass., Norfolk, Nantucket, New London. The amount of bank capital at Mobile is very small, while its exports are equal to ten millions annually.

